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Europe's 2 Giants Warily Seek New Equilibrium

By Rick Atkinson
and Fred Hiatt
Washington Post Service

ORLOVKA, Russia — When the backhoe has finished carving a trench along the shoulder of Volgogradskaya Street, Russian workmen comb the earth with garden trowels and bare fingers. The soil soon yields objects hidden for more than half a century: a helmet, a black boot, ribs, a skull.

In 10 minutes, the remains of yet an-

other German soldier killed during the battle of Stalingrad, an epic turning point of World War II, are spread across a tarpaulin. Among the bones the workmen find an aluminum dog tag. The identification number, matched to an old army roster, quickly yields a name: Leopold Franz Heydeck, a private first class from Wehrmacht Regiment 425.

Thirty years old when he died in November 1942, Private Heydeck had been buried hastily with scores of fallen comrades along the unpaved main street

of this southern Russian village 16 kilometers (10 miles) from Volgograd, as Stalingrad is now called. Until this year, his bones would have been shoveled into a plastic bag and stored on a warehouse shelf with 6,000 other sets of remains of Germans already found in makeshift graves around the city.

But after years of negotiations, Russia and Germany agreed last summer to consecrate a new military cemetery west of the city. There, on the open steppe above the Volga River, Private Heydeck and his

countrymen will finally be laid to rest.

"This is really important," said Hans Schildberg, a German forensic technician working with the Russians. "We just passed the 50th anniversary of the end of the war, and this is a testament to the change in the political relationship between our two countries."

As a metaphor, the agreement to bury the past by properly burying the dead is both poignant and profound. Germany

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UN soldiers guarding their air base in Tuzla, Bosnia-Herzegovina, on Monday. Plans call for the base to be taken over by U.S. troops in the NATO force.

AGENDA

Canada Reviews Quebec's Status

OTTAWA (AFP) — Prime Minister Jean Chretien presented a bill to Parliament on Monday recognizing Quebec as a "distinct society within Canada."

A second bill, to be submitted Wednesday, will give Quebec, Ontario and the Atlantic and Western provinces each a veto over any future constitutional amendment.

French nationalists in Quebec have long demanded that their province be given a veto on constitutional matters, but politicians have argued that it would be unfair if Quebec was the only province to have such a power.

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Papandreou Set Back

ATHENS (Reuters) — The condition of Prime Minister Andreas Papandreou, 76, has worsened, and the Socialist leader, who has been suffering from pneumonia and now from kidney problems, may be put on dialysis machine within hours, a hospital spokesman said Monday.

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Dow Jones		Trib Index	
Up	22.04	Up	0.36%
5070.88		127.78	
The Dollar			
New York	Mon. close	previous close	
Doll.	1.4375	1.4198	
Pound	1.5525	1.56	
Yen	101.73	101.50	
FF	4.9225	4.8785	

EU Overcomes Main Hurdles to Single Currency in '99

By Tom Buerkle
International Herald Tribune

BRUSSELS — European Union finance ministers reached general agreement Monday on a scenario for inaugurating a single currency in 1999 that satisfied Germany's core demands but left France isolated on a key question of timing.

The ministers left several issues unresolved, including the name of the currency and whether governments should be obliged to denominate their bonds in it beginning in 1999, a point on which Germany and France had clashed openly.

But ministers insisted that those were political questions that would be resolved when EU leaders met to endorse the scenario in Madrid on Dec. 15 and 16.

They stressed that the new currency had agreed that the new currency would have the same legal tender status as national currencies beginning in 1999 and would be exchanged one-for-one with the European currency unit, the existing basket of EU currencies widely used in bond markets.

"I don't see any fundamental problems," said Pedro Solbes, the Spanish finance minister, who chaired the meeting.

"The single currency will exist on Jan.

1, 1999," said Yves-Thibault de Silguy, the EU commissioner for monetary affairs.

The ministers also agreed in principle to a German proposal to enforce tighter budgetary discipline among countries participating in a single currency, but several ministers, particularly from the Union's poorer states, rejected the deficit targets and sanctions in the plan as too extreme.

"In the short term, this could lead to recession in the European Union," Mr. Solbes said.

The outcome underscored the contradictions inherent in Europe's single-cu-

rency project and the tensions it has aroused between France and Germany.

The bloc has made significant progress toward achieving a monetary union, and EU countries continue to attach paramount political importance to the project.

But deep doubts persist about the ability of governments to reduce budget deficits below the single-currency ceiling, especially with growth slowing across Europe.

Those doubts were driven home Monday when the European Commission repudiated a speech by one of its own mem-

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Korean Business Tycoon Is Indicted in Roh Inquiry

Prosecutors in Seoul Charge Bribery

Compiled by Our Staff From Dispatches

SEOUL — South Korean prosecutors issued an indictment Monday against a business tycoon in a corruption scandal involving Roh Tae Woo, a former president.

The prosecutors said the chairman of the Hanbo Group, Chung Tae Soo, had been formally charged with bribery in connection with a \$654-million slush fund that Mr. Roh has confessed to amassing in it.

Mr. Chung was charged with giving \$13 million in bribes to ex-president Roh Tae Woo in 1990 to earn an apartment block building permit," said the chief prosecutor, Ahn Kang Minh. "He will not be physically detained."

Prosecutors rushed the indictment through because the statute of limitations expires on Tuesday.

In 1991 Mr. Chung was found guilty of bribing officials to rezone sites marked for public housing and to allow private development. He resigned as group chairman and served six months in prison before taking charge of the Hanbo Group.

Mr. Roh was arrested and detained on Nov. 16. His arrest warrant accuses him of accepting more than \$300 million from 30 business conglomerates during his term in office, from 1988 to 1993. Hanbo grew

from a simple construction firm publicly listed in the 1970s to a mighty steel, construction and pharmaceutical conglomerate.

Its flagship company, Hanbo Steel, is the fifth largest manufacturer of steel products in the country and most of its growth came during Mr. Roh's term.

In another incident involving Mr. Roh, riot police fired volleys of tear gas to repel about 1,000 students who were trying to march to the homes of Mr. Roh and his predecessor, Chun Doo Hwan.

The students were demanding that the two be indicted for their roles in the bloody suppression of a civil uprising in 1980 in Kwangju that killed almost 200 people, according to official count.

The revolt followed a 1979 military coup led by Mr. Chun and Mr. Roh, then major generals in the army.

Riot police cordoned off the homes of the two former presidents to block the students, some of whom were armed with rocks and steel pipes.

A student said a team had been formed to make a citizens' arrest.

Later, students gathered at Yonsei University for a rally and were tear-gassed by the police to stop them from heading toward the suburb where Mr. Roh and Mr. Chun live.

(Reuters, AFP)



MEDITERRANEAN CONFERENCE OPENS — Nations of the European Union and the Mediterranean region opened a conference in Barcelona on Monday to discuss religious, security and economic issues. Page 5.

A Movie Arson Turns Real in New York

By Richard Perez-Pena
New York Times Service

NEW YORK — Two men with a bottle of inflammable liquid torched a token clerk's booth into an inferno inside a Brooklyn subway station, critically injuring the clerk, the real-life clerk, Harry Kaufman, was not as lucky as his fictional counterpart, who in the movie escapes without injury. Mr. Kaufman suffered second- and third-degree burns over 70 to 80 percent of his body.

They objected to before filming began. Twice during the movie, a pyromaniac squirts a liquid through the slot in a booth's bulletproof window and ignites it.

The attackers who set fire to the booth in Bedford-Stuyvesant in Brooklyn on Sunday used much the same technique, though the real-life clerk, Harry Kaufman, was not as lucky as his fictional counterpart, who in the movie escapes without injury. Mr. Kaufman suffered second- and third-degree burns over 70 to 80 percent of his body.

"I personally reviewed the script and I objected to those scenes," said Joseph R. Hofmann, the Transit Authority's senior vice president in charge of subways.

Mr. Hofmann and Alan F. Kiepper, president of the Transit Authority, said the agency allowed some parts of the film, starring Wesley Snipes and Woody Harrelson, to be shot in the subway system. But they said that the authority would not co-

See SUBWAY, Page 6

When It Comes to East Asian Status Symbols, the Sky's the Limit

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — Monuments to growth and modernization, Malaysia's new twin towers are reaching for the sky. When they are finished next year, the 88-story office blocks rising from Kuala Lumpur's former race course on the edge of the city center will top out at 450 meters (1,476 feet) — 7 meters higher than the

Sears Tower in Chicago, currently the world's tallest building.

But Malaysia's twin towers, costing about \$800 million, won't hold the record for long.

Across East Asia, developers, architects, engineers and construction companies are racing to outdo each other in building huge office towers, hotels, apartment blocks and condominium complexes for their wealthy clients as well as the

hordes of investors, foreign and domestic, seeking to profit from the region's growth.

Many of the tallest projects have strong backing from nationalistic governments that see height as a symbol of their countries' economic success.

Proponents of East Asia's tall-building boom also say it is the logical way to overcome land shortages in overcrowded cities. But critics say that governments,

in 1974, is higher than New York's World Trade Center towers, which rise 419 meters and the Empire State Building, which rises 381 meters.

"We wanted to build the most beautiful towers in the world," said Abdul Rahim, chief operating officer for the twin-tower project in Kuala Lumpur.

It is owned mostly by Petronas.

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Newswires Prices	
Bahrain	1,000 Din
Cyprus	C. £ 1.00
Denmark	14.00 D.K.
Finland	12.00 F.M.
Gibraltar	£ 0.85
Great Britain	£ 1.00
Egypt	£ 0.85
Jordan	1.250 JD
Kenya	K. Sh. 150
Kuwait	500 Fils
New York	Mon. close
Doll.	1.4375
Pound	1.5525
Yen	101.73
FF	4.9225
Mon. close	previous close
Doll.	1.4198
Pound	1.56
Yen	101.50
FF	4.8785

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THE AMERICAS

POLITICAL NOTES

Greasing Republican Wheels

WASHINGTON — In the annals of the House Republican revolution, a pivotal moment came last April when an unsuspecting corporate lobbyist entered the inner chamber of the majority whip, Thomas D. DeLay, whose aggressive style has earned him the nickname "the Hammer."

The Texas congressman was standing at his desk that afternoon, examining a document that listed the money that the 400 largest political action committees had contributed to Republicans and Democrats over the last two years. Those who gave heavily to the Republicans were labeled "friendly," the others "unfriendly."

"I see you're in the book," Mr. DeLay said to his visitor, leafing through the list. At first the lobbyist was not sure where his group stood, but Mr. DeLay helped clear up his confusion. By the time the lobbyist left the congressman's office, he knew that to be a friend of the Republican leadership his group would have to give the party a lot more money.

It didn't take long for word to spread around town. Mr. DeLay, a former pest exterminator from Houston, is the enforcer for the House Republicans. His mission is to ensure that money flows along the same stream as policy, that the Republican agenda receives the undivided financial support of the corporate interests that benefit from it.

The role of money in the revolution has been obscured by the clash with President Bill Clinton and the Democrats over balanced budgets, but it is part of that larger struggle. Money is at the center of Mr. Gingrich's transformation of the House. With the new alignment of allies in the business and political worlds, there are unparalleled opportunities for both the people who give the money and the people who receive it.

It is such an obvious quid pro quo that it goes almost unnoticed. From House Republicans come measures that gratify industry: weakening environmental standards, loosening workplace safety rules, limiting the legal liability of corporations, cutting off the money of nonprofit groups that present an opposing view. From the beneficiaries of that legislation come millions of dollars in contributions. (WP)

Investigating Independence

WASHINGTON — Frustrated with President Bill Clinton and even more dissatisfied with his Republican rivals, seven prominent Democratic and independent politicians have been quietly discussing the prospects of fielding an independent candidate for president next year.

The goal of the group, organized more than two months ago by former Governor Dick Lamm of Colorado, a Democrat, is to set out a philosophy for a third party or an independent candidate.

"It's really a group of people who have a lot of experience who sense a vacuum," said one participant, former Senator Paul Tsongas of Massachusetts, who made a respectable showing in the Democratic presidential primaries in 1992.

But he said the group is ambivalent because it does not want to put up a candidate who has no chance of winning and would merely siphon off votes from Mr. Clinton in the November election.

The group is dominated by politicians who have reputations as centrists. At least two have been weighing whether to run as independents next year: Senator Bill Bradley, the New Jersey Democrat who is retiring from the Senate, and Lowell P. Weicker Jr., a former Republican senator from Connecticut who went on to be elected governor of that state as an independent.

Mr. Tsongas said he was not considering a White House bid, and that neither were the other participants: former Senator Gary Hart of Colorado; former Representative Tim Penny of Minnesota, and Governor Angus King of Maine, an independent.

The participants have agreed that there is a need for a party that is socially liberal, fiscally conservative, and favors protecting the environment and overhauling the campaign finance system. (NYT)

Quote / Unquote

The House speaker, Newt Gingrich, announcing Monday that he would not run for president: "Frankly, looking at the daunting challenge of trying to organize a national campaign, looking at people like Bob Dole and Phil Gramm, I didn't see how I could both be speaker of the House and be in a position to mount a campaign on that scale." (AP)

Away From Politics

An appeal by five anti-abortion demonstrators who had been ordered to pay nearly \$100,000 in attorney's fees spent by a California abortion clinic they targeted has been rejected by the Supreme Court. The court, without comment, let stand rulings that said the lawyer-fees award did not violate or wrongly "chill" the abortion protesters' right of free speech. (AP)

Two white policemen have been charged with third-degree homicide and a third with involuntary manslaughter in the death of a black businessman who suffocated in police custody after a traffic stop. Jonny Gammage died early Oct. 12 after a low-speed chase by police from Brentwood, a Pittsburgh suburb, into Pittsburgh. Two separate autopsies indicated that Mr. Gammage, 31, suffocated because of pressure on his chest and neck. (AP)

A Los Angeles photographer's claim that he accidentally killed Linda Sobek, a model, by hitting her with a truck during a photography session has been cast into doubt by a preliminary autopsy. Ms. Sobek's injuries were "inconsistent" with such an accident, according to a spokesman for the Los Angeles coroner's office. He said also it did not appear that she had been shot, stabbed or suffered any obvious major head injury. It will be several weeks before a cause of death can be determined, pending results of drug and tissue tests, he said. (AP)

Ignat Solzhenitsyn, the pianist son of the Russian author Alexander Solzhenitsyn, was injured when his car went off Interstate 91 near Hatfield, Massachusetts, and rolled over several times, the police said. The cause of the 6 A.M. crash, which also injured two passengers, was still under investigation, a state trooper said. Mr. Solzhenitsyn, who gave a Cavendish, Vermont, address, apparently lost control of the car, the trooper said. The injured were taken to Baystate Medical Center in Springfield, where Mr. Solzhenitsyn and a woman passenger were listed in fair condition, and the third person in the car, a girl, was in good condition, according to a hospital spokesman, Janet Krasnor. The identities of the passengers were not released. (AP)

Nervous Montrealers Pack Up Amid Secession Fever

By Clyde H. Farnsworth
New York Times Service

MONTREAL — Party Bakakis is a Greek immigrant who has lived here for 30 years. She has pumped her life savings into the lively Miss Westmount Restaurant in the English-speaking enclave along the western slopes of Mount Royal.

Now, after an independence referendum she had hoped would "finally end all the talk about a new country and allow people to get on with their lives," she has decided to sell out and leave the province.

"There will probably be another referendum in two years," she said, staring at a cup of black coffee on a formica-topped table. "They want their own country, and the insecurity is very frightening. There is the animosity, and in back of everyone's mind we're not wanted here."

Since the Oct. 30 vote, in which a

bare 52,000 ballots kept Canada's largest province from embarking on the path of nationhood, high anxiety grips the city that is home to nearly half of Quebec's 7 million people.

Like Mrs. Bakakis, tens of thousands of Montrealers are immigrants — from Greece, Haïti, Mexico, Italy, Spain, Portugal, China, Korea, and elsewhere. Together with many English Canadians who live here, immigrants voted overwhelmingly against independence.

Even in its French-speaking neighborhoods to the east, Montreal was out of step with the rest of the province, where people tend to be of old Quebec stock and less accustomed to multiculturalism, and where the vote was 59 percent to 41 percent for sovereignty. In Montreal over all, the vote was 65.5 percent against sovereignty.

Because the vote for independence by French-speakers was so much higher this year than in a 1980 referendum,

and because the province-wide vote was so much closer this year — 51 percent to 49 percent compared with 50-40 in 1980 — separatist leaders of the Parti Québécois immediately called for another effort.

The Montreal vote against sovereignty prompted the province's

premier, Jacques Parizeau, to blame "money and the ethnic vote" for the result and to warn of "revenge."

Dr. Charles D. Levin, a Montreal psychoanalyst, said he found Montrealers "in a state of uneasiness and confusion that makes it difficult to work through emotional stresses."

When people learned recently that

the provincial government intended to shut five of the city's hospitals, serving mainly English and immigrant neighborhoods, callers to talk shows immediately concluded that the government was now getting even.

The government, based in Quebec City, insisted that the shutdowns were part of necessary cost-cutting and that Montrealers would still be comparatively well served — with 2.7 beds per 1,000 residents, compared with 1.8 beds, for instance, in Calgary. But the fears go well beyond health care.

"I've never seen such panic and depression here," said Mordecai Richler, the novelist and occasional commentator on Quebec affairs, who has a downtown apartment near McGill University. "Someone who lives in my building was trying to sell his cottage in the Laurentians. He found 45 other people trying to do the same thing and no takers."

In the 1970s, when the separatist

Parti Québécois first took control of the provincial government, more than 200,000 English-speaking Montrealers left, mainly for Toronto, which then displaced Montreal as Canada's most populous city.

"I think there will be another exodus in the next couple of years," Mr. Richler said. "If I were a young Anglophone, a Jewish kid, just finishing university, I certainly wouldn't be looking for a job here, or buying a house or trying to raise kids."

Tensions have always existed between Montreal and the rest of the province. In the last century, the city was home to an almost exclusively English-speaking aristocracy that relied on low-paid rural French-speakers to work the mines, mills and forests. That is part of a post of resentment against English-speakers that strongly motivates separatists today and gives meaning to the motto on Quebec license plates: "I remember."

Spy Satellites Turn To Natural Targets

An Eye on Ecological Data

By William J. Broad
New York Times Service

NEW YORK — With the Cold War a fading memory, U.S. spy satellites are beginning to turn some of their attention to nature.

In addition to peering at the usual military targets, they are

monitoring such natural phenomena as clouds, glaciers, sea ice, deserts and tropical rain forests to gather clues about long-term global climatic change and ecological threats.

The program picks areas of the Earth that are thought to be particularly revealing of changes in the natural world and repeatedly photographs them on a fixed schedule, seasonally in some cases. Data are to be collected for decades, in theory revealing subtle ecological shifts that might otherwise be missed. For example, Mount Kilimanjaro in northeast Tanzania near the Kenya border is to be scrutinized for signs that the Earth's rising levels of carbon dioxide are changing its high forests.

The monitoring effort is led by Medea, a group of about 60 scientists in academia and industry who advise U.S. intelligence agencies on the use of secret data to study the environment. Medea stands for Measurements of Earth Data for Environmental Analysis. The group was founded after the Cold War to aid re-evaluations of the sprawling U.S. intelligence enterprise and has championed an environmentalist agenda.

"In terms of turning swords into plowshares, this is about as good of an example as I can think of," said Jeff Dozier, dean of the school of environmental science at the University of California at Santa Barbara and a member of the program's management team.

The data will be filed in archives for future generations of scientists and will remain secret for now to conceal the abilities of the U.S. reconnaissance systems, scientists involved in the project said. In-

man and a geophysicist at the University of California at San Diego.

The new reconnaissance effort is run for Medea by the National Reconnaissance Office in the Pentagon and is coordinated by the CIA, which is apparently pleased with the broadening of its responsibilities.

"It's an exciting new issue to engage in," said a senior federal intelligence official, who spoke on condition of anonymity. "Modest amounts of resources are producing interesting results. The other thing that makes it interesting is the high-level interest. It makes any producer enthusiastic if you've got eager customers."

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from the related effort to mine old spy satellite photos for environmental data, a process the Clinton administration recently began. That effort, featuring photos originally taken for military reasons, is often hit or miss in terms of ecological relevance.

In contrast, the new effort focuses directly on nature and its subtleties.

So, too, the program is different from recent intelligence gathering that studies natural phenomena for clues to the

deeper roots of war and examines such things as drought, population growth and lack of arable land.

Medea scientists say spy satellites have several advantages over standard environmental studies. Coverage is wider and cheaper than that done by scientists on the ground and can aid in spotting trends.

Moreover, spy satellites can often assess faraway areas virtually inaccessible by other means.

The scientists add that spy

satellites are better than civilian remote-sensing craft, like Landsat or Spot, which orbit the Earth for the United States and France, respectively. Military craft can zoom in on ground targets, letting scientists learn more.

Moreover, they say, these spy images can often aid civilian analyses.

"You can use the intelligence assets to make the interpretation of the civilian ones much more accurate," Mr. Dozier of the University of California said.



JOHN T. BROWN/THE ASSOCIATED PRESS
WORLD OF ITS OWN — The new Sun Princess arriving at Fort Lauderdale, Florida. The 856-foot vessel, owned by P&O Steam Navigation Company in London, stands 14 stories tall and is one of the world's largest cruise ships.

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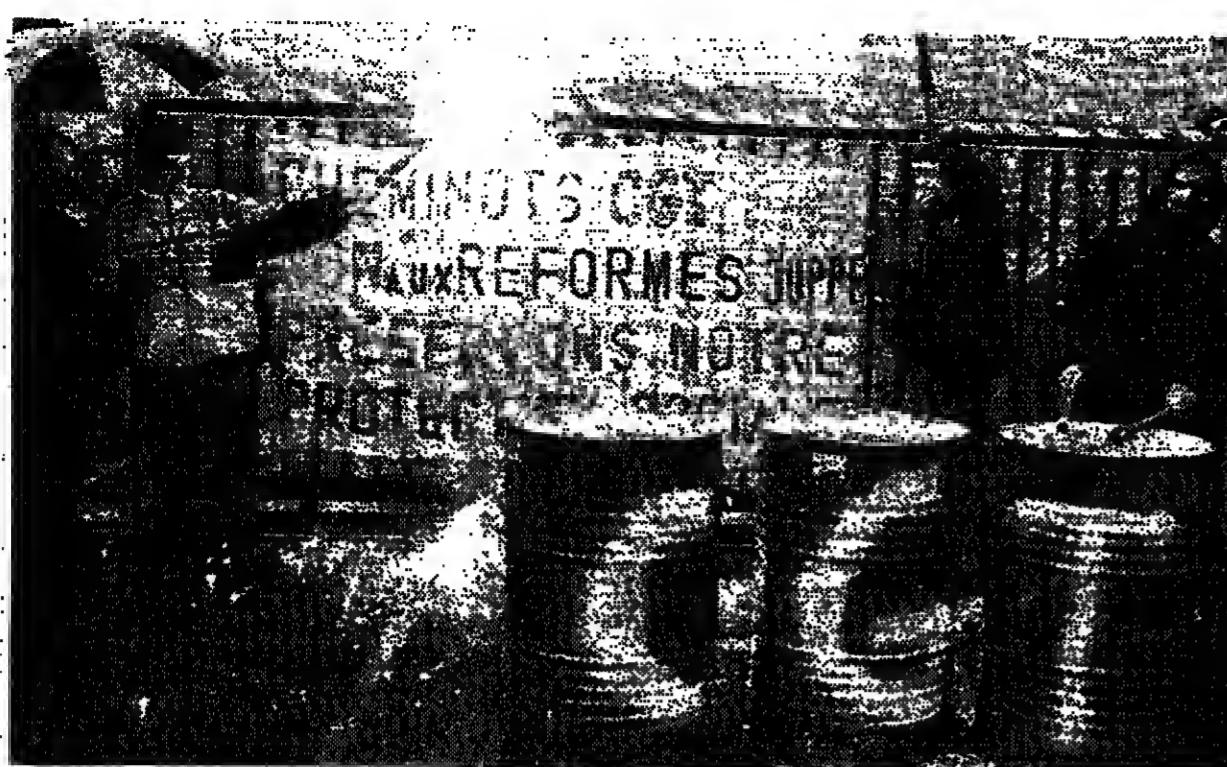
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French rail workers blocking the entrance to the station in Nice on Monday, which was closed by four days of strikes.

BRIEFLY EUROPE

Britain and Ireland
At Odds Over Talks

BELFAST — Despite feverish attempts to restart the peace process, the British and Irish governments remained at odds over IRA disarmament Monday as Northern Ireland prepared for President Bill Clinton's visit later in the week.

News reports said Prime Minister John Major of Britain was dismissive about proposals to break the deadlock presented by his Irish counterpart, John Bruton, on Sunday.

"We have been looking at the proposals overnight, but it is doubtful that they amount to any significant advance," a spokeswoman at Mr. Major's 10 Downing Street office said.

Mr. Major and Mr. Bruton were to speak by telephone, but the chances for an British-Irish summit meeting before Mr. Clinton's visit Thursday appeared to be dwindling. It is not known what Mr. Bruton's proposals were.

SAS Bows to Pressure

COPENHAGEN — Scandinavian Airlines System, fearing attacks by animal rights activists, announced Monday an

immediate ban on the shipment of research animals between Britain and the Nordic region.

He said that SAS had received no threats but animal rights activists in Britain had been known to use violence. "The ban only applies to the freighting of mice, gerbils, golden hamsters and rabbits out of Britain. We have received no actual threats from activists, but we felt it was time to stop transporting research rodents," he said.

(Reuters)

Probe of 'Dirty War'

MADRID — The Senate called a former police chief as its first witness Monday at the start of its probe into a 1980s "dirty war" against Basque separatist rebels.

Rafael del Rio, director-general of the Spanish police from 1983 to 1986 at the height of the anti-ETA drive, appeared in camera before a senate committee.

His questioning on the illegal campaign of bombings, kidnappings and murders is the first of a series of high-profile sessions that may inflict further damage on the Socialist government of Prime Minister Felipe Gonzalez.

(Reuters)

Victory for Big Pints

LONDON — The British government declared Monday that publicans can no

longer be prosecuted for selling over-full glasses of beer. Junior interior minister Timothy Kirkhope said a law under which innkeepers could be fined up to £500 (\$780) for giving a customer more than the pint ordered had been scrapped.

He said prosecutions for the offense, introduced in 1921 to prevent pub owners from attracting customers unfairly, had been rare. "It was an absolute nonsense that this offense remained on the statute book," he said.

(Reuters)

Calendar

EU events scheduled for Tuesday:

BRUSSELS: European Parliament meets (through Thursday).

PARIS: European Commission President Jacques Santer meets with Prime Minister Alain Juppé.

BRUSSELS: The commissioner for relations with Eastern Europe, Hans van den Broek, meets with President Milan Kucan of Slovenia.

Sources: Agence Europe, AFP

France Braces for New Strike Wave

Railroad Workers Keep Up Pressure on Juppé

Agence France-Presse

PARIS — Militant strikers paralyzed the French railroad system Monday ahead of a general strike Tuesday that threatens to bring new chaos to the whole country.

On the fourth day of a crippling protest, drivers hardened their strike, forcing the state-owned railroad company SNCF to cancel five out of six trains. In the Paris region, virtually no commuter trains served the suburbs.

Worse is expected Tuesday, when the railworkers are again joined by strikers from other areas, including the Paris Métro, which is due to face severe disruption that could extend into the week.

The railroad workers are protesting Prime Minister Alain Juppé's plans to reform France's debt-ridden welfare system.

They are also specifically protesting a government five-year development plan that they fear will try to make savings through job cuts, wage controls, productivity gains and transferring responsibility for loss-making regional lines to regional authorities. The plan is to be unveiled on Friday.

In addition, the train drivers feared they would lose their privileged pension status, under which they can retire at age 50, 10 years earlier than most public sector workers.

A meeting between the rail unions and Labor Minister Jacques Barrot on Monday afternoon failed to resolve the issue, according to union officials. Mr. Barrot said afterward that he had explained their pension rights would be subject to four months' consultations, as would everyone else's.

Meanwhile, millions of workers were set to strike on Tuesday in the second mass stoppage in five days to protest the reform plan. Under the Juppé plan, other public sector workers will be required to work for 40 years to secure a full pension, instead of 37.5 years at present.

The public transportation systems of Paris and other major cities were expected to be severely disrupted, while the railroad workers voted to continue their stoppage. The SNCF said there would be much reduced commuter services in the Paris region and added that it expected high-speed TGV main-line and regional services to be badly hit.

On Monday, the strike forced the cancellations of five of six trains.

The SNCF stopped running trains between Paris and the southwestern city of Bordeaux after workers blocked a TGV train at the station in the city of Angoulême. Passengers had to be transferred to buses.

Strikers also blocked rail lines and occupied signal rooms elsewhere in the country.

The Communist-led CGT union is joining Tuesday's strike, called by the independent union Force Ouvrière to protest Mr. Juppé's plan to cut welfare deficits.

But a third major union, the pro-Socialist CFDT, is not taking part, giving the government hope that it can divide the labor unions.

Force Ouvrière has called on private sector workers to join in the action, billed as a general strike, but most support is expected to come from the public sector, where there is more job security.

On Monday, Mr. Juppé said he would go on television in the next couple of days to make a statement on the unrest.

Bus services were cut in half for the Paris metropolitan area and suburbs, the Paris public transport company RATP said.

Meanwhile, students protesting university underfunding planned a mass day of protest on Thursday for the second time in a week.

Apart from curbing pension rights in the public sector, the Juppé plan would levy a new tax to help pay off an accumulated social security deficit that will reach 250 billion francs by the end of the year.

Arab-Israeli Disagreements Block Progress in Barcelona

Reuters

BARCELONA — European Union and Mediterranean nations opened a conference Monday aimed at creating a partnership to combat instability, poverty and religious fundamentalism, but Arab-Israeli disputes continued to hamper efforts to draft a joint declaration.

Foreign Minister Javier Solana of Spain opened the two-day session of the 15 EU states, 11 Mediterranean region nations and the Palestinian Authority that is designed to inaugurate a regular political dialogue and a free-trade area in 2010.

Mr. Solana said the conference was aimed at setting "a new model of relations" for peace, security and prosperity between the EU and its partners to the southern and eastern Mediterranean rim.

"Our region has historically been a place of accord and also of discord," he said. "Even today, there remain divisive factors which impede proper co-existence."

Foreign Minister Ehud Barak of Israel and Foreign

Minister Farouk Shara of Syria were the last two delegates to arrive in the conference room, but Israeli officials said they had been no direct contact between them and that none was planned.

It was the first time that Syria and its ally Lebanon had taken part in a multilateral forum with Israel.

Diplomats said Middle East disputes over nuclear weapons, terrorism and self-determination continued to impede the drafting of a European-Mediterranean declaration due to be issued Tuesday.

They highlighted the fragility of the EU's attempt to look beyond current problems and lay the foundation for a 21st century partnership that would combat instability, poverty, the rise of religious fundamentalism and mass migration.

Israel, which is widely believed to be the only Middle Eastern state with atomic weapons, objected to references to nuclear nonproliferation, the acquisition of territory by force and a clause urging states to "refrain from developing military capacity beyond

their legitimate defense requirements."

Syria and Lebanon wanted to qualify a clause pledging to combat terrorism with language taking into account "the particular situation of peoples under colonial or other forms of alien domination or foreign occupation," which neither Israel nor EU states would accept.

Yasser Arafat, the leader of the Palestine Liberation Organization, was treated on an equal footing with Israel and seated next to King Juan Carlos I, even though his Palestinian Authority is not a state.

The Mediterranean participants — Algeria, Cyprus, Egypt, Israel, Lebanon, Malta, Morocco, the Palestinian Autonomous Territories, Syria, Tunisia and Turkey, as well as Jordan — were being offered \$6 billion in aid for education and infrastructure projects over the next five years.

In return the EU wants to see progress toward free trade and commitments to political principles such as mutual nonaggression and rejection of terrorism.

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INTERNATIONAL

In Bosnia, Pentagon Believes It Can Avoid Errors of Earlier Debacles

By Eric Schmitt
New York Times Service

WASHINGTON — In the corridors of Congress and across the country, critics of U.S. involvement in NATO's plan to enforce a peace accord in Bosnia have drawn comparisons with three other American missions: Vietnam, Lebanon and Somalia.

A few months ago, the Pentagon, which has opposed nearly every peacekeeping mission since the end of the Cold War, would have agreed. But after reviewing details of the accord initialed last week, even the most skeptical commanders now express confidence that the NATO force, including 20,000 American troops, can achieve a tightly circumscribed set of goals with minimum casualties.

That is largely because the agreement meets virtually every condition the American military insisted on for success: Clear goals, a powerful force. NATO command

and control, robust rules of engagement, a one-year time limit and the expressed cooperation of the rival factions.

"By the time this thing gets approved, it will be a highly refined operational plan that will be executable," said a senior army planner who just a few months ago expressed grave doubts about sending American troops to Bosnia.

Administration officials appeared on television programs Sunday to expand on that theme. W. Anthony Lake, President Bill Clinton's national security adviser, promised that the "very powerful, well-trained American force would be allowed to defend itself."

"If anybody fools with our forces, they will get hit," Mr. Lake said. "They will get hit immediately. They will get hit very hard, and we would expect that any other challengers, threats to our forces, would be intimidated."

Commanders say critics of a Bosnia mission fail to realize how much the mil-

itary has learned from such entirely different conflicts as the one in Vietnam, where the United States fought its longest war, or in Lebanon and in Somalia, where the American role in those local conflicts was short and in some respects disastrous, or more pointedly, the United Nations operation in Bosnia.

For the Pentagon the lessons are as straightforward as they are painful: No more vaguely defined, open-ended operations. No more limits on protecting forces. No more "mission creep," tasks added incrementally without political consensus.

Moreover, in contrast to Vietnam and Lebanon, there is a peace agreement for Bosnia and the factions have consented to NATO troops, including Americans, to enforce it. Mr. Clinton insisted on letters from Serbian, Bosnian and Croatian leaders promising to insure the safety of American and other troops.

Recognizing that rogue militia or snipers might still oppose the deal, the 60,000-

member NATO force will have "a very, very broad range of authorities, which should enable it to do all that's necessary to enforce its specific military tasks," said Lieutenant General Wesley Clark, the Pentagon's senior representative at the talks.

Since the failed army raid in Mogadishu, Somalia, in October 1993, in which 18 American soldiers died, the military has reversed its record and successfully led the operation to withdraw all foreign troops from Somalia, rushed aid to Rwanda and sent 20,000 troops to help restore democracy in Haiti with a total of about half a dozen casualties.

To be sure, Bosnia will be much riskier than Rwanda or Haiti. Americans will be injured and perhaps killed. Even with the upbeat U.S. military assessment, there is no guarantee that the accord will heal a nation ravaged by nearly four years of killing.

NATO troops will be responsible for enforcing a cease-fire in a buffer zone between the rival factions, and for insuring

the safety of relief workers, police trainers and international aid specialists as they rebuild the country. But the NATO force, wary of tasks commanders say are best left to local authorities, will not help deliver relief aid, protect thousands of returning refugees or insure free elections except in force whenever necessary," Mr. Perry said.

Finally, NATO forces are to leave Bosnia by December 1996. Mr. Perry said that if all goes well, troops deployed next month might begin returning home by June. All forces are to be out by December.

How will American officials know if they have succeeded?

"It means creating a stable environment, to return Bosnia back to a normal situation, for people to live normal lives, that they would have a reasonable degree of protection and self-defense capability, and that the fighting will stop," James Pardew, a senior Defense Department negotiator at the talks, said last week. "We'll know it when we see it."

NATO: Shooting First

Continued from Page 1

tion against someone who is exhibiting hostile intent," he added.

The biggest dangers to be faced by the multinational force, he said, are land mines, snipers and rogue elements of the warring parties in Bosnia.

The Bosnian Serbs in particular have warned of violence over the peace plan initialed last week, but their threats were dismissed Monday by a European negotiator as mere "noise."

Hard-line Serbs dislike the part of the agreement that calls for the return of Serbian-held suburbs of Sarajevo to Muslim-Croatian rule.

The European Union's mediator for the former Yugoslavia, Carl Bildt, said he had expected opposition to the deal, but what was important was that Serbia's president, Slobodan Milosevic, who negotiated for the Bosnia Serbs, had accepted it.

"We had expected dissenting noise" from the Bosnian Serbs, he said after meeting EU ministers in Barcelona.

The Bosnian Serbian leader, Radovan Karadzic, has warned that Sarajevo would become "the Beirut of Europe" if the city were reunified as stipulated in the deal. (AP, Reuters, AFP)

Suicide of 13-Year-Old in Japan Rivets New Attention on Bullies Year's Toll: 9 Children Killed Themselves

By Mary Jordan and Kevin Sullivan
Washington Post Service

TOKYO — Japan's heartache over schoolyard bullying worsened Monday when a 13-year-old boy hanged himself from a basketball hoop, in a gesture he apparently thought could save other children from the kind of torment he endured. "I've been bullied. They've taken my money. I will sacrifice myself. Please save other children," said a note left by Hisashi Ito, whose death came on the first anniversary of another bullying-related suicide that focused national anguish on this long-standing youth problem.

In a country where people spend their lives trying to fit in, bullying is especially painful to children because it involves groups ostracizing one who is somehow different. Nine children have killed themselves because of bullying in the last 12 months, according to a poll released Monday by the Mainichi

newspaper. Nationally, more than 20,000 cases of bullying are reported to education authorities each year.

Children who are too fat, short, quiet or even beautiful have been the targets of bullies in this land where an extraordinary high value is placed on conformity. It is unclear why young Ito was habitually tormented by the five classmates he named in his suicide note, but he wrote that those boys robbed him of \$50, stripped him naked in the bathroom and then poured cold water on him. He also received what he said were "silent phone calls" at home.

The suicides of the two 13-year-olds grabbed national attention on a day when many schools throughout the country were holding memorial services to mark the anniversary of last year's suicide. On Nov. 27, 1994, Kyo Okochi, 13, killed himself in his hometown near Nagoya. He left a suicide note detailing how he had been bullied by four schoolmates, who had extorted \$1,000 from him over three years.



LEBANON SYNOD — Pope John Paul II presiding Monday at the Vatican at a special synod on the Catholic Church in Lebanon. To the left are Cardinal Nasrallah Pierre Sfeir and Cardinal Jan Pieter Schotte of Belgium.

CURRENCY: EU Overcomes Main Hurdles to Single Monetary Unit

Continued from Page 1

bers. Transport Commissioner Neil Kinnock, in which he dismissed the 1999 deadline as "unrealistic."

Finance Minister Theo Waigel of Germany, who has dominated Europe's single-currency debate in recent months with demands for tough-budget discipline, hailed the agreement on the scenario. It calls for a single currency to be introduced in stages between Jan. 1, 1999, and the middle of the year 2002.

By requiring EU leaders to decide which

countries meet the criteria for a single currency in early 1998, based on actual economic data for 1997, the plan ruled out the risk that countries might use favorable or fudged estimates to gain admission, he said. He also stressed that the scenario would retain the Deutsche mark as Germany's legal tender until 2002.

Finance Minister Jean Arthuis of France gave only conditional support to the plan, however. French officials believe leaders decide on the criteria at the end of 1997, he insisted, and President Jacques Chirac will press that point when EU leaders gather to

endorse the scenario at their summit meeting in Madrid on Dec. 15 and 16.

France also wants governments to commit to issue bonds in the single currency by 1999 to enhance its credibility, Mr. Arthuis said.

Paris wants to avoid any risk that the decision could be made after French parliamentary elections scheduled for March 1998. But he said that any difference over the date for the decision "was not of the kind that would block a consensus" on the scenario when EU leaders meet in

Madrid.

If all goes according to plan, China by 1997 will boast the world's tallest building, the 457-meter Chongqing Tower. Chongqing is the main city in Sichuan, home province of Deng Xiaoping, the country's paramount leader. Chongqing's reign won't last long, either. A Japanese firm announced recently that it would build a 460-meter tower, to be called the Shanghai World Financial Center, in Shanghai, China's largest city and its emerging financial powerhouse.

The firm, Forest Overseas Company Ltd., a unit of Mori Building Company Ltd. of Japan, said it would head a

mainly Japanese development group that would spend about \$750 million to complete the project in 2001.

In Hong Kong, however, foundation work has begun on something even taller, Nina Tower. If finished as scheduled, it will become the world's tallest building in 1998 at 468 meters.

Not to be outdone, three Indonesian tycoons said in September that they planned to build a 500-meter tower for telecommunications and other uses in Jakarta by 2000, at a cost of \$400 million.

Although it is technically not a building for human habitation, the lower sections of the tower will incorporate a hotel, shopping center and office block.

If built, this tower would be the third tallest communications structure in the world.

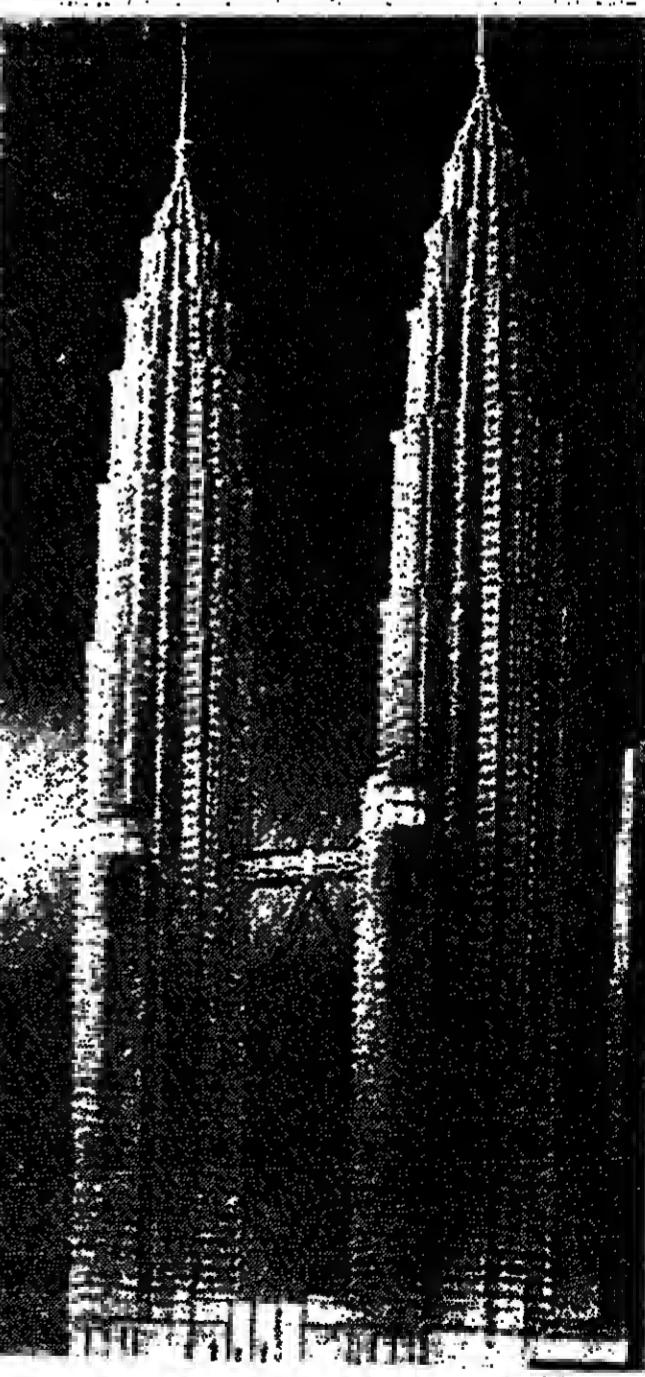
Anthony Downs, a senior fellow at the Brookings Institution in Washington, who has studied urban development in East Asia, said that in such cities as Kuala Lumpur, Jakarta, Bangkok, Shanghai, Beijing, Seoul and Kaohsiung on Taiwan, there was "reckless overbuilding" without adequate infrastructure, such as sewerage, water supply and roads.

Charles Correa, a leading Indian architect and planner, said that putting up the tallest buildings in the world could be a triumph of construction but not necessarily of architecture.

"There is a déjà-vu quality about Asia's new buildings," he said.

"We are living in a dream,

but it is a banal middle-American dream, decades after the Americans have rejected it. We Asians want to replicate it because we have money."



A drawing of Kuala Lumpur's record-reaching towers.

TOWERS: The Sky's the Limit

Continued from Page 1

Malaysia's state oil company. "We are also showing the world we are a developed, industrialized country," he added.

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Continued from Page 1

operate in the making of violent scenes involving arson, shootings and explosions and that those were filmed on Los Angeles sound stages.

In the attack Sunday, the liquid ignited with such force that the bulletproof booth was blown apart, spraying broken glass, charred insulation and splintered wood inside the subway station.

Judging by the power of the blast, which was felt in apartments a block away, investigators said the arsonists, who escaped, were probably injured. A transit official said a charred glove believed to belong to one of the attackers was found on a station staircase.

Moments after the explosion, Teresa Cohen, a police sergeant, arrived at the sta-

tion, where, she said, Mr. Kaufman "ran right into my arms."

He said: "Somebody blew up my booth. I'm hurt. I want my family. Please help me," she recalled.

Other police officers said they found an old-fashioned military assault rifle, an M-1 carbine with a clip holding 17 cartridges, lying on the station floor near the demolished booth, leading investigators to guess that the attack had been a failed attempt at robbery.

Mayor Rudolph W. Giuliani, Police Commissioner William J. Bratton and Mr. Kiepper, the Transit Authority president, pointed out at a news conference that the attack bore a strong similarity to the movie. Mr. Bratton noted that the attack on Mr. Kaufman was the first of its kind since 1988, when several token booths were set ablaze.

"It has been seven years since we have had an incident," he said. "It is a strong coincidence that within the last week, a movie opened in this city that has several scenes depicting this type of an incident. But until we get our hands on the two individuals we are looking for, we really won't know if that had any role."

Mr. Kiepper said: "We know from experience that when you get movie and television depictions of criminal activity, it is often copied."

Mr. Bratton said Mr. Kaufman told investigators that his attackers used a plastic soda bottle to squirt a flammable liquid through the slot in the booth's window used for token sales and lit it.

INTERNATIONAL



Moroccan Textile Workers Stage Sit-In

Some of the 500 women employed by the Manufacture du Maroc factory flashing the victory sign Monday during a protest in a suburb of Rabat. The women have been on strike for two weeks to protest "repeated violence" by a supervisor against several female employees.

H. J. Abaya, Journalist, Dies

The Associated Press

MANILA — Hernando J. Abaya, 87, the former editor in chief of The Manila Times, died of a stroke Saturday.

Mr. Abaya began as a reporter in the 1930s and, during World War II, joined a group of Filipino patriots to organize the Free Philippines, an underground group that engaged in intelligence gathering and propaganda against the Japanese.

He was also active in the Civil Liberties Union, and was imprisoned when then-President Ferdinand E. Marcos imposed martial law in 1972. He was also an author and professor.

Max Fernández, 51,
Brewer and Politician

LA PAZ (AP) — Max Fernández Rojas, 51, one of the wealthiest people in Bolivia,

died in an airplane crash Sunday that also killed six others on board.

Mr. Fernández was killed outside Uyuni, a town 300 kilometers (190 miles) south of here, where he had dedicated a sports complex and was promoting candidates. The cause of the crash was not known.

Mr. Fernández, a leader of the populist UCS party that is part of the governing coalition, was the majority owner of the Bolivian National Brewery.

Mercedes Rossy, 34,
Pianist and Composer

NEW YORK (NYT) — Mercedes Rossy, 34, a pianist, composer and bandleader, died of cancer Thursday in Barcelona.

Her jazz band, with which she toured Europe, included the saxophonists Mark Turner and

Steve Wilson. She also played with the saxophonists Herb Harrel, Seamus Blake and Antonio Hart, the trombonist Hal Crook and the drummer Leon Parker.

Kim Chang Ho, 60, the minister for North Korea's electronics industry, died Sunday of an unspecified illness, the official news agency KCNA reported.

He ignored calls by officials of the main Islamic opposition party, the outlawed Islamic Salvation Front, to talk to end the four years of civil strife, including an offer Monday of a unilateral cease-fire.

Mr. Zeroual appeared unhurried in stretching a hand to those who carried arms to battle the state in the past four years, reflecting perhaps a widespread conviction among the Algerian leadership that the elections represented a turning point. Also, Algerian officials said in telephone interviews, it is far from clear that the Islamic movement is unified enough for any of its factions to speak authoritatively.

Indeed, since the elections, a wide segment of Algerian-affairs experts have come to look upon the high rate of participation in the poll by Algerians, in defiance of opposition calls for a boycott, as having uncovered a political landscape that may have taken the place of the secularist-fundamentalist confrontation that has dominated political discourse since 1992.

In his first address to the nation following a triumph in presidential elections 11 days ago, in which he won 61 percent of the vote, the 54-year-old former general promised parliamentary and municipal elections without setting specific dates.

In his speech Monday, the president appeared to share these views, speaking of a "new national order" based on the rejection of violence.

In Armenia, the Bloom Is Off the Democratic Rose

By Steve LeVine
New York Times Service

YEREVAN, Armenia — When Armenia became independent four years ago, supporters in Washington spoke of a Western-oriented country that would demonstrate how democracy could flourish in a troubled region.

Now, after much financial aid from Washington, Armenia's image is being clouded by accusations that the government manipulated national elections this year and that it has moved to crush its main opposition.

"The blish is off the rose in Armenia," said an American official who monitors the former Soviet Union.

"In Washington they've decided these people are not as de-Sovietized as we would have liked to believe."

Yet American officials say support for Armenia is not at risk in Washington, due to sympathy for the country of 3.5 million people and because of effective

lobbying efforts on its behalf.

The situation in Armenia reflects how increasing numbers of former Soviet republics have neglected commitments to Western principles after witnessing the relatively mild reaction to flawed elections and crackdowns in the region.

Monitors have reported irregularities in recent elections in all three former Soviet Caucasus republics.

Five years after gaining power, President Levon A. Ter-Petrosyan, 49, a former professor at Yerevan State University, has become "a pragmatist with the arrogance of power," a Western diplomat said.

This mixed personality is reflected in a moderate foreign policy, but a domesticistic posture in which he demands almost uncontested authority.

The State Department challenged Mr. Ter-Petrosyan's suspension last January of the main opposition party, the Armenian Revolutionary Federation, or

Dashnak, and its disqualification from July parliamentary elections.

In House testimony, James F. Collins, ambassador-at-large for the Commonwealth of Independent States, said there were "substantial irregularities" in the elections.

Mr. Ter-Petrosyan emerged from the elections with effective control of all three branches of government, including 160 of 190 parliamentary seats and the right to appoint all judges.

Rachel Dunbar, a Moscow analyst for New York-based Human Rights Watch/Helsinki, said that Armenia had made a "clear retreat from its previous enthusiastic commitment to human rights."

Many Armenian officials say, however, that their country should be viewed in the context of its surroundings — sandwiched between Iran, Turkey, Azerbaijan and Georgia.

"What is wrong with Western estimations is that they try to compare the level of democracy here with Western

standards," Levon Zourabian, a presidential assistant, said during an interview.

"Instead, they must compare it with Soviet times."

Armenia's new, harsher image is reflected in Mr. Ter-Petrosyan's energetic attack against Dashnak.

In a way, Dashnak, which was formed in 1890, has been an easy target — a vocal group whose almost messianic self-image has alienated many Armenians in this country and many Armenian immigrants overseas.

But the group has been respected for sustaining the idea of Armenian nationhood.

Mr. Ter-Petrosyan began attacking Dashnak in December 1994, asserting that it had resumed its terrorist past in Armenia. In subsequent months, he suspended it as a political party, saying its leadership illegally included expatriate Armenians, then ordered some 30 members arrested.

Algeria Leader Vows More Democracy
Urge Islamists to 'Repent'By Youssef M. Ibrahim
New York Times Service

PARIS — The newly elected president of Algeria, Liamine Zeroual, pledged Monday to bring about "an authentic pluralistic democracy" to Algeria, inviting various political factions in the North African country to a "national dialogue."

But he pointedly omitted militant Islamic fundamentalists, referring to them only as "misled Algerian youth" whom he urged to "repent."

In his first address to the nation following a triumph in presidential elections 11 days ago, in which he won 61 percent of the vote, the 54-year-old former general promised parliamentary and municipal elections without setting specific dates.

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Children, but No Childhood

The Associated Press

PARIS — Poor health care, inadequate schools and a climate of war in many countries is "robbing children of their childhood," a report on children's rights said Monday.

The report was released at the International Forum on the Rights of the Child, sponsored by Unesco. More than 20 heads of state or their wives met in Paris, including Naina Yeltsin, venturing abroad for the first time since her husband's most recent heart problems.

Worldwide, 1.4 billion children under age 18 live in poverty and 100 million are home-

less, the researchers said. In Europe, about 5 percent are below the poverty line; in the United States, 20 percent live in poverty.

More than 6.6 million children die each year because of diarrhea and pneumonia, brought on largely by poor water supplies and living conditions, the report said.

Measles still kill a million children each year, tetanus kills another 600,000 and polio cripples 140,000, even though 80 percent of the world's children have been vaccinated against those diseases. AIDS is expected to kill 850,000 children a year by 2010.

Ivory Coast's Governing Party Wins Parliament as Foes See Irregularities

Compiled by Our Staff From Dispatches

ABIDJAN, Ivory Coast — The governing Democratic Party won an overwhelming majority Monday in Ivory Coast's parliamentary elections amid complaints from the opposition about how the voting was conducted, according to official results.

Partial results from the election Sunday, announced by Interior Minister Emile Constant Bombo, gave the party of President Henri Konan-Bédié 133 of the 175 seats in the National Assembly.

The opposition Ivorian Popular Front and the Rally of the Republicans took nine seats each in the polling, which was conducted peacefully, unlike the October presidential election, when 10 people died in violence related to the voting, according to official figures.

Opposition leaders com-

plained that the drawing of constituency boundaries and the failure to register some of their supporters on the electoral rolls had cost them seats.

Observers said the results issued to date showed how the

Democratic Party had established broad support in the countryside.

Three parliamentary seats will be contested next year because voting in one western region, an opposition stronghold, was postponed as a result of an effective and violent boycott of the presidential election.

Across the country, the voting in the parliamentary elections was marked by a peaceful atmosphere that contrasted sharply with the tension surrounding the presidential poll in October. (AP, Reuters)

47 Haitian Refugees Drown

The Associated Press

PORT-AU-PRINCE, Haiti — As desperate Haitians resorted to risky sea voyages to reach U.S. shores, 47 drowned off the north coast of Haiti, Radio Météropole reported Monday.

The private station said all those aboard a frail sailboat drowned Friday night when it capsized in the channel between Port-de-Paix and La Tortue Island during a storm.

Seven bodies were found

washed up on La Tortue, and 40 people were presumed drowned, the station reported. It cited a reporter at the scene. The refugees were to have boarded a larger craft bound for Florida.

U.S. Coast Guard cutters have intercepted and repatriated a growing number of Haitians in the past two months. More than 600 were intercepted in an overloaded vessel near the Bahamas on Sunday. In addition, 516 refugees were discovered aboard another vessel last Tuesday.

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THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

In Egyptian Elections, Democracy Also May Win or LoseBy John Lancaster
Washington Post Service

CAIRO — As Egypt prepares for its first parliamentary elections in five years, the campaign season is in full swing. Buildings are swathed in political advertisements, the media are filled with campaign news, and opposition leaders can even be found reading statements on state-run television.

But there may be less to Egyptian democracy than meets the eye. Despite seemingly fierce competition — more than 4,000 candidates are vying for 444 parliamentary seats — the governing National Democratic Party is sure to win an overwhelming victory in Wednesday's voting, consolidating President Hosni Mubarak's grip on power after 14 years in office.

While the governing party's dominance is explained partly by the power of incumbency, and the nature of an electorate whose familiarity with authoritarian rule dates to the pharaohs, opposition leaders say the Mubarak regime has, if anything, backtracked on democratic reforms that had their tentative beginnings under Anwar Sadat, Mr. Mubarak's predecessor who was assassinated in 1981.

They cite, among other things, the government's relentless use of state media to promote its own candidates and widespread efforts to silence or intimidate leading opposition figures, including arrests, bans on public gatherings and a new press law that imposes harsh penalties for defaming public figures.

The government has directed its toughest action at the Muslim Brotherhood, Egypt's main opposition

If you want something done, it is the state who will do it.

group. Last week, the courts sentenced 54 Brotherhood activists, including some parliamentary candidates, to prison terms of three or more years, and the government shut the group's Cairo headquarters.

But the government also has brought pressure on secular critics, including human rights activists and members of an independent commission set up to monitor this week's election.

"The very basic difference is the

Pharaonic philosophy," said Milad Hanna, a commission member, musting on the contrast between Egyptian politics and the Western variety. "Mr. Clinton is a president; he's coming for eight years maximum. Mr. Mubarak is the pharaoh; he's coming to stay until he dies."

Egypt was supposed to be different. In a region whose dominant political archetype is defined by such Arab leaders as Hafez Assad of Syria or Saddam Hussein of Iraq, Egypt has one of Africa's oldest Parliaments, relative press freedom and, since 1979, more than \$2 billion a year in annual economic and military aid from the United States.

While hardly a model of Western-style democracy, Egypt seemed to be inching in that direction under Mr. Sadat, who legalized some opposition parties in 1976, and during the early years of Mr. Mubarak's rule. By 1990, however, progress toward democracy appeared to have stalled, as opposition parties boycotted parliamentary elections that they charged were grossly unfair.

The opposition parties have since decided to give Egyptian democracy another chance, and the government has allowed them some latitude. Each

opposition party has been granted 80 minutes of free television time, for example, and streets in some poor districts are festooned with banners reading, "Islam Is the Solution," a battle cry of the outlawed Muslim Brotherhood.

Members of Mr. Mubarak's party have also been campaigning furiously, showing that all politics is local and Egypt is no exception. "It's a question of, 'Can you help my son get a scholarship?'" "Can you get my uncle a job at this government ministry?" "Can you get us a new school?"

"said a Western diplomat here. He said that even though people are "disaffected and complacent and complacent," he thought the system "delivers a lot of what they want. It's not just a sham."

Independent analysts estimate that even in the fairest of elections, the ruling party would win 55 to 60 percent of the vote.

"Democracy in Egypt is not deep-rooted," said Abdel Moneim Said Ali, director of Al Ahram Center for Strategic Studies in Cairo.

"Belief is still in the state. If you want something done, it is the state who will do it."

But few analysts doubt the gov-

ernment has stacked the deck to win a considerably larger share, on the order of about 80 percent.

That is enough to guarantee Mr. Mubarak a comfortable margin when Parliament decides in 1997 whether to extend his presidency, which requires a two-thirds majority.

While ballot-box stuffing and other forms of election fraud are familiar practices here, the government's most obvious advantage is its control of the broadcast media in a country with nearly 50 percent illiteracy. Under the guise of news programming, state-run television recently featured an hourlong program titled, "Mubarak's Achievements."

But more chilling to the opposition is the government's pre-election crackdown on the Muslim Brotherhood.

Despite its illegal status, the Brotherhood has long operated in the open and is fielding a number of candidates running as independents.

In recent months, the government has tried to discredit the Brotherhood, accusing it of indirectly supporting Islamic militants who have waged a violent four-year campaign to replace Mr. Mubarak's government with an Islamic state.

Gadhafi Opponent Murdered in London
Friends Blame Regime*The Associated Press*

LONDON — A leading opponent of the Libyan leader Moammar Gadhafi has been murdered in London, the police said Monday.

The body of Ali Mohamed Abuezzid, 55, who lived with his wife and family in self-imposed exile in Britain, was found with stab wounds by employees early Sunday at the combined butcher's and grocery store he owned in west London's Paddington district.

Detective Superintendent Dick Bell, the police officer leading the hunt for the killer, said: "At the moment we are keeping an open mind in regard to the motive for the murder."

But the BBC quoted friends of the slain man's family as saying that they suspected the killing was the work of the Gadhafi regime.

The police said nothing had been stolen from the store.

The Foreign Office refused comment on a report Monday by the official Libyan news agency, JANA, that Libya has offered to help Britain with the murder inquiry.

It quoted sources in the Libyan Foreign Ministry as saying that Libya had requested "participation of the concerned Libyan parties with the British authorities into the probe over the killing of Libyan citizen Ali Mohamed Abuezzid."

Mr. Abuezzid was imprisoned in Libya in April 1973 because of his opposition activities. He spent 30 months in jail in Tripoli but left Libya in 1975.

In 1981, he was influential in the creation of the National Front for the Salvation of Libya, a leading opposition group seeking the overthrow of Colonel Gadhafi.

The organization was subsequently riven by internal divisions.

Swiss Will Negotiate On Marcos Accounts**Filipinos Seek \$1.9 Billion**By Henry Weinstein
Los Angeles Times Service

Two large Swiss banks will hold a bargaining session in Hong Kong that could generate significant payments to 10,000 Filipinos.

The Filipinos are trying to collect on a \$1.9 billion judgment against the estate of the late President Ferdinand E. Marcos, stemming from a human-rights case.

The Filipinos were awarded the judgment last year after a U.S. jury in Honolulu found that Mr. Marcos, who died in exile in 1989, was responsible for major human-rights abuses — including torture, murder and "disappearances" — of fellow Filipinos.

The banks — Credit Suisse and Swiss Bancorp — were not defendants in the human-rights case. But evidence was introduced at the federal trial that they were holding what is now estimated at \$475 million in Marcos-linked funds in the name of dummy Lichtenstein foundations, Marcos associates and aliases used by Mr. Marcos and his widow, Imelda.

If the Hong Kong mediation, to be held soon, succeeds and the plaintiffs are able to get money from the Swiss accounts, it would set a significant precedent, said Joan Fitzpatrick, a professor at the University of Washington who is an expert on international human-rights law.

She said it would be the first time that plaintiffs made a substantial recovery in any of the lawsuits filed in the United States under the Alien Tort Claims Act.

Several U.S. judges have ruled that they had jurisdiction over the Marcoses after the couple fled their native land in 1986 and settled in Hawaii.

While no one expects the Filipinos to obtain the full \$1.9



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IHT Agrees to Pay Lee for Damages*Reuters*

SINGAPORE — International Herald Tribune executives have agreed to pay 300,000 Singapore dollars to Senior Minister Lee Kuan Yew over an article that defamed him. Mr. Lee's lawyer said Monday.

"The three defendants agreed to pay the senior minister 300,000 dollars by way of damages and costs," said the lawyer, Tan Kok Quan. The settlement, equivalent to \$210,000, was recorded at an in-chambers hearing Monday.

At issue was an article by an American academic, Christopher Lingle, that was published in the newspaper on Oct. 7, 1994.

The IHT, which is owned by The New York Times and The Washington Post, apologized for the article last year and did not contest liability.

The defendants who agreed to pay Monday were the paper's executive editor, John Vinocur; its Asia editor, Michael Richardson, and its publisher, Richard McClean. Mr. Richardson is based in Singapore, while Mr. Vinocur and Mr. McClean are at the paper's Paris headquarters.

Mr. Lingle did not offer to settle and was not represented by the IHT's lawyers, Mr. Tan said.

Mr. Lee, Singapore's prime minister from 1959 to 1990, has reserved his right to take action against Mr. Lingle. "The senior minister can, at a later date if he wishes, still have the case heard against Lingle and have damages which Lingle has to pay assessed," Mr. Tan said.

Mr. Lingle, a former lecturer in European studies at the National University of Singapore, left Singapore and quit his job after he was questioned by the police shortly after the article was published.

He has not returned since.

The proceeding Monday marked the second time in four months that the newspaper paid Mr. Lee for defamation. In July, a Singapore court ordered the newspaper to pay 950,000 dollars to three of the country's leaders over an article alleging nepotism in government.

The court on July 26 told the newspaper to pay Prime Minister Goh Chok Tong 350,000 dollars. Mr. Lee and his son, Deputy Prime Minister Lee Hsien Loong, were awarded 300,000 dollars each.

AIRBUS INDUSTRIE
SETTING THE STANDARDS

EDITORIALS/OPINION

International Herald Tribune

Published with The New York Times and The Washington Post

Languages in America

Eighteen U.S. senators and close to 200 members of the House of Representatives are co-sponsors of a bill to make English the official language of the United States. It would require the federal government to conduct virtually all its business exclusively in English. No one disputes the importance of a common tongue. In the country, and now even in cyberspace, that tongue is English. But what about tax collectors? How about foreigners seeking help, even seeking asylum?

It is obviously more efficient for a government clerk to speak Spanish with a Hispanic American who is uncomfortable in English. Moreover, what would all those congressional sponsors say if the language police told them they could not communicate with constituents who have not mastered the official tongue?

A House subcommittee recently held two days of hearings on the Emerson bill and others, and plans to hold more. Several Democratic representatives spoke in opposition, but only one outside opposition witness was invited — a representative of the American Civil Liberties Union.

There is little doubt that the issue will come up in election campaigns next year. Bob Dole, the Senate majority leader and presidential hopeful, has already raised it. He says America needs "the glue of language to bind us together." Others would say the glue that truly binds the nation is a common belief in freedom, including freedom to speak any language you please.

— THE NEW YORK TIMES.

About More Than Money

In the U.S. budget negotiations that lie ahead, the money issues may be easier to resolve than some of the issues having to do with the role of the government, particularly in assisting the poor. The congressional proposal to balance the budget in seven years would do more than cut the estimated cost of such programs as Medicaid and food stamps. It would essentially repeat them in their present form.

The government currently undertakes through programs such as those to guarantee a minimum standard of living to people who meet certain eligibility criteria, no matter where in the United States they may live. Medicaid is intended to afford them access to health care; the food stamps program, to make sure they have money enough to buy food. The budget-balancing bill would largely end these entitlements — wrongly, in our view. Instead, the federal government would begin to give the states block grants of declining real value to spend on health care and nutrition pretty much as they chose.

That would be a huge change. It involves not fiscal policy so much as fundamental social policy expressed in fiscal terms. The fight is about not just the cost of government but the goals — and that is why the negotiators' task will be so hard.

The dollars will hardly be a snap, but politicians are accustomed to dealing with dollars. The Congressional Budget Office is going to update the economic and programmatic assumptions on which its deficit estimates are based. The estimates are likely to come down a little as a result. Leading Republicans have indicated that they might be willing to settle for less of a tax cut than is in the bill. That, too, would reduce the need for spending cuts. (The right policy would be no tax cut at all until the deficit is down, but, because the president, too, has unfortunately endorsed a cut, that seems politically unlikely.) Finally, there seems to be some willingness on both sides (although neither wants to go first) to slow

— THE WASHINGTON POST.

Rules for Lobbying

The rules on lobbying in Washington are premised on a sensible idea: where expensive lobbyists are concerned, the public has a right to know who is paid. The problem is that existing laws are full of loopholes, so a lot of the people who make most or much of their living lobbying don't even have to register. Earlier this year, on a unanimous vote, the Senate passed a bill that would close the various loopholes on lobbying law and make the rules mean what they claim to mean.

The loopholes ought to be closed. For example, many of those who lobby the executive branch, not Congress, or lobby congressional staff members but not senators or representatives, are effectively exempt from the rules. Under the new bill, they wouldn't be any longer. Many lawyers who spend most of their time lobbying are not now required to provide any public information. They, too, would be covered under the new bill.

The question now is whether the House will pass this bill and send it to the president, or gum it up with amendments that would force a House-Senate conference and delay enactment indefinitely. In Democratic Congresses, such delay spelled the death of lobby-disclosure bills, and reform-minded Republicans fear the same fate this time.

— THE WASHINGTON POST.

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Why America Can't Walk Away From the Balkans

By Stephen S. Rosenfeld

WASHINGTON — To hear the gifted advocate, Vice President Al Gore, struggling to win support for the Clinton administration's Bosnia venture was to realize that this debate is less about foreign policy "interests" than about the very definition of being American.

Perhaps that is true in all those cases. This case is about as close, and as important in setting a post-Cold War precedent, as it gets.

In the first instance, to be American is to be hardheaded and to have some reason to do what we do. In Bosnia we would be stabilizing Europe, showing leadership in NATO and ending a terrible slaughter. By any familiar foreign policy measure, these are big-ticket items. If "national interest" or "national interests" were dominating the Washington debate, then it would already be over.

It is the mark of our new-era puzzlement, however, that these considerations do not suffice. State them, as I heard Mr. Gore state at a White House briefing last week, and people ask you to go beyond the preoccupations of "foreign policy experts" and instead to address the concerns of "real people."

Mr. Gore responded to this particular query by recalling that a wheezing uncle had been gassed in World War I. He went on to offer what I regard as a foreign

policy clincher: The United States, after bombing the parties to the table and brokering an agreement, cannot walk away — and withholding American troops from the peace-implementation force would be exactly that — without inviting incalculable international consequences.

We shall see how such a line plays in Congress. Many in the Republican majority plus some Democrats are wary of being led into a quagmire by an inexperienced commander in chief. Bill Clinton's hopes may rest on the possibility that they are even wiser of taking full responsibility for what the outcome might be if they said "no" and cut off his policy.

If they do not prefer to share responsibility by saying "yes," they could simply go along.

In fact, saying "no" is coming to take on echoes of the Senate vote killing American participation in President Woodrow Wilson's post-World War I collective security system, the League of Nations. Not to exaggerate, but there is a similar aura of portent, of a decision being taken at a hinge point of history, of stakes larger than the fate of a small, distant place that few Americans can yet find on a map.

It certainly was "American" for the

Senate to keep America out of the League of Nations. Isolationism had deep roots in our past and in our consciousness. But it was plainly wrong. We are still paying the costs of doing less than we might have done to prevent the unraveling of Europe in the '30s and the onset of a second world war.

No reasonable person claims that a second dose of isolationism in the American century would consign us to disasters of that sort and scale. But the mere flick of a television switch demonstrates that world disorder is pervasive. It is thoroughly American to remain globally involved in order to counter this condition.

Reinforcing our 20th-century record of engagement is our still vibrant inheritance of Wilsonian idealism, our far-flung interests and the leadership role widely expected of us in politico-military affairs.

Foreign policy decisions often are unscientific, hinging as they do on consequences guessed at and not yet felt. Few choices are as easy as was President George Bush's to contest Saddam Hussein's grab of Kuwait and to remove Saddam's threat to global oil — concrete "interests" — and even then Congress came along reluctantly. To select among instances of world disorder, since they cannot all be treated, is a contentious and unavoidable task.

In the Bosnian instance, the selection is

made easier, although not automatic, by changes on the ground. For three years the United States kept its distance from a situation with these constants: a nearby location, an ominous cause (ethnic stress), terrible civilian loss, challenge to regional and international institutions, the very possibility of spread. But suddenly last summer, events and American policy produced the hint of a settlement.

The earlier policy of hesitation can be debated. But there is no debating the moral and political requirement to seize the summer's opening. To convert that opening to peace in a manner that balances risks and results is what the president was called upon to pursue and Congress is now called upon to support.

What foreign policy is most about is reliability. It establishes a more or less formal scheme of commitments, which lead nations and other actors to plan what they can do and what they cannot do.

The end of the Cold War dissolved one flawed but finally stabilizing scheme of commitments. More than any other single consideration, a principled and practical American response in Bosnia can introduce a new scheme — perhaps less flawed, restabilizing. The alternative is to go it alone when we Americans feel like it. That is not foreign policy but escape.

The Washington Post.

Without U.S. Troops, the Peace Pact Will Not Be Carried Out

By Warren Christopher

The writer is U.S. secretary of state.

WASHINGTON — The United States must help peace take hold in Bosnia-Herzegovina. It is in America's interest to carry out the agreement reached in Dayton, Ohio.

I have never been involved in a negotiation with so many complex and seemingly intractable issues at stake. The negotiations took place against the backdrop of four years of the bloodiest events in Europe in 50 years.

The American role in reaching a comprehensive settlement was essential. But at crucial moments the presidents of Serbia, Croatia and Bosnia sought each other out in direct talks and reached hard-fought compromises. American and allied resolve, combined with war fatigue, self-interest, fear of continued carnage and an eye toward history's verdict, produced a sound agreement.

Each party recognized its overriding interest in peace.

No one in Bosnia should want to return to war — not the Muslims, who have suffered the

most, nor the Serbs, who will only see the sanctions lifted as the agreement is carried out.

Peace is the key to everything the parties need — reconstruction, justice, rejoining the international community.

The accord will not erase the past or guarantee that the fabric of Bosnian society will be restored. But it can bring peace. The international community must help the parties take the steps to carry out the settlement.

On every issue, the agreement initiated at Dayton meets the principled standards on which we insisted. It assures that Bosnia can continue as a single state, with its sovereignty fully respected by its neighbors, and federal institutions that represent its Croat, Muslim and Serb communities alike. The arms embargo is being lifted. Sarajevo, so

long a symbol of Bosnia's desperation, will be reunified.

The agreement protects human rights. Free and democratic elections will be held next year. People will have the right to move freely throughout the country, and refugees will have the right to return to their homes or receive compensation.

The parties are obligated to cooperate fully in the investigation and prosecution of war crimes. The new constitutional bars indicted war criminals from office. The International War Crimes Tribunal welcomes the pact.

It is virtually certain that if this is the best hope for peace fails, the war will reignite and spread. It will threaten American allies and destabilize a region where shifting frontiers and ethnic unrest

have long been a cause of conflict among larger powers. It

could require an intervention far costlier than anything contemplated today.

By helping peace take hold, we can end the most terrible atrocities in Europe since World War II. We finally have a chance to end violence that has been so perniciously directed at specific groups because of their faith.

But a paper agreement alone will not end the war for good. After four years of violence and dozens of broken agreements, the Bosnians need confidence that peace will endure.

That is why a NATO force is needed. America, the source of NATO's strength, must participate in that force.

This is an acid test of American leadership. After seizing the opportunity for peace last summer, combining diplomacy with decisive airpower, helping the parties hammer out constitutional principles and bringing them to Dayton, the United States cannot walk away from peace now.

As President Bill Clinton has

said: "There are costs and risks to all involved in making peace. But the costs and risks of failing to make peace are far greater."

A resumption of violence, more massacres and concentration camps, real danger of a wider war, and a grave challenge to NATO and to our leadership in Europe.

NATO's mission will be to monitor the cease-fire and ensure that the parties withdraw their forces to agreed positions. An American general will lead the force. It will have the authority and strength to defend itself, and a firm exit strategy.

The parties have pledged to cooperate fully with NATO forces and to ensure their safety.

Without American leadership, there would have been no agreement. Without our troops, an agreement that serves our interests will not be carried out. That is the case the president makes to Congress and the nation. It deserves everyone's support.

The New York Times.

Princess Diana May Be Taking On More Than She Can Handle

By A. N. Wilson

LONDON — It would be a mistake to suppose that the decision by the Princess of Wales to make a television broadcast was a simple act of marital revenge; even if you suppose that she was provoked beyond endurance to get her own against Prince Charles.

No one can doubt that this was a skillfully organized attack on the institution of the monarchy itself. Not just on Charles. Not just on the Queen, whom Diana obviously hates. But on the monarchy.

Her interview, when shown on British television on Nov. 20, had the nation reeling. No one had guessed quite how indiscreet she was going to be.

No one had dreamed, for one moment, that she would admit her affair with "Major" (in fact he is a disgraced captain) James Hewitt. Not that she would be quite so open about her jealousy of Camilla Parker-Bowles or about her psychological difficulties, her

bulimia, her sense of isolation and inadequacy within the royal family.

But then, nor had anyone supposed that she would be so self-confident and so well-groomed in her answers. She has been taking lessons from experts.

Only a week before the broadcast she attended a private dinner party in London with the former Ruby Wax, Home Secretary Michael Howard and the new editor of the radical right-wing Sunday Telegraph, Dominic Lawson, whose wife Rosa is a close friend of the princess. No one can doubt that all those present have scant regard for the old institution of the monarchy. Nor has the television star Clive James, also a friend of the princess, who helped her with her gags.

For the real threat to the monarchy comes not from the soft-centered old left but from the radical right.

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OPINION/LETTERS

Twisting Historical Facts To Make Ratings History

By William Safire

WASHINGTON — "History has had assigned to it," wrote Leopold von Ranke in 1874, "the office of judging the past and of instructing the present for the benefit of the future." But the historian rejected that propagandistic assignment, proposing a different purpose: "to seek only to show what actually happened."

The goal of impartially discovering *wie es eigentlich gewesen ist* — the way it really was — is now expected of the best historians. But truth in biography has been undermined by a new breed of cinematic pseudo-historians who hype conflict and twist facts to suit dramatic requirements or political ends.

The dismayed ghost of von Ranke visited me the other night during the showing of a TV movie about the Chicago mobster Sam Giancana.

I remember "Momo," as Frank Sinatra's Nevada business associate was called. A generation ago, I had a hand in making known the gangster's connection with the Kennedy White House, through a mistress he shared with the president.

Some of the scenes in the movie rang true. Mr. Giancana was indeed approached by the CIA to assassinate Fidel Castro, and the jealous mobster did induce government agents to wiretap a woman singer he lusted after.

But political fiction was added. In the film, Mr. Giancana is approached by another mobster, purportedly on behalf of Joseph P. Kennedy, to steal the 1960 presidential election in Chicago. The viewer is led to believe that a corrupt deal was struck between the Kennedys and the mob from which all other plots flowed.

I was never an admirer of old Joe Kennedy, the former bootlegger and stock manipulator who used his fortune to help finance his son's election. And yes, like all old Nixon hands, I think the Conk County boys added a "cemetery vote" to help swing the election there.

But a deal with the mob to deliver Illinois? No evidence of that exists. The baseless charge adds a delicious connotation of corruption to the Kennedy clan — but when drama must be served, history is often subverted.

In another docudrama, "JFK," the director Oliver Stone sought to blacken the reputation of Lyndon Johnson. Mr. Stone's purpose is

not to illuminate history but to spread distrust about American institutions; hence the notion that President Johnson and the CIA conspired to murder President Kennedy.

In his forthcoming Nixon hatchet job, the same cine-propagandist tries to tie Richard Nixon in to murders during the Eisenhower years. (When I recently teased Mr. Stone in a language column, he exploded in a letter about my having worked for an "unindicted co-conspirator"; when it comes to hypersensitivity to press criticism, this muddler of history is positively Nixon-esque.)

Next week, another amalgam of fact and fancy in a TV movie about Mr. Nixon and Henry Kissinger will probably be "history" to an un-

The truth is distorted to suit dramatic ends.

suspecting audience. In it, President Nixon will be shown wanting to delay peace with North Vietnam until after his re-election, so he could then turn the North to kingdom come;

Mr. Kissinger is shown to be equally cynical, wanting to achieve closure in negotiations — only so he could claim credit for the re-election.

That's not the way it was. I was there. The president and his side had differences over negotiating tactics, but their motive was to end the war with honor, the sooner the better.

Walter Isaacson's critical biography, on which the movie is supposedly based, does not viciously impugn motives and patriotism. But the screenplay needed dramatic conflict.

Moreover, Mr. Nixon is portrayed — caricatured — as a lush, Bonze is in his hand in almost every scene. Nixon-haters nail him for any number of faults, but alcoholism is a new one.

Not all film biographies are phony, a recent docudrama on the TV reporter Jessica Savitch was both accurate and riveting. Fiction can illuminate history, as Herman Wouk has shown in books and screenplays, but the writers and directors who attach the names of real people to their fictional characters are using a cheap device to spike their dramas.

Those who profit from violence on television are rightly being denounced; what of those who deliberately do violence to the truth about what really happened?

The New York Times.



Milosevic gives safe conduct passes to U.S. troops.

The Earth of China Yields Rich Treasures of the Past

By Karl E. Meyer

NEW YORK — In China as elsewhere, farmers plow, geologists map remote deserts and army units dig trenches. But perhaps nowhere else does their toil yield more incredible finds: entire armies of life-size terra-cotta warriors, walled cities buried in shifting dunes or, happened not long ago, a fifth-century B.C. tomb harboring a whole orchestra of perfectly preserved string, wind and percussion instruments.

Nowadays in China, discoveries like these are almost commonplace. "Just Another Wonder" was the

MEANWHILE

blase headline a few months ago over a China Daily News account of a sacrificial grave near Xian filled with superb Tang dynasty bronzes.

China swarms with a billion people, a majority of them peasants who have been plowing for centuries. How, then, can the soil still conceal so many wonders? Partly it is because many major discoveries turn up in sparsely settled western provinces. Only in this century has archaeology become a widespread profession in China.

A young practitioner offered a further thought. Until 1912, when the Manchu dynasty ended, "China was backward and corrupt," he said. "Then came 60 years of national revolution, foreign invasion, civil wars and a Communist revolution followed by Mao's cultural revolution. Finally, in the 1970s, the country was united and at peace and now is really open to foreign scholars as well as investors."

We were talking in Xian, a walled city a world away from Beijing and epicenter of the archaeological boom. It was near here in 1974 that a farmer digging a well unearthed a terra-cotta army, 6,000 strong, meant to protect China's first emperor and founder of the Qin (pronounced Chin) dynasty, who died in 210 B.C. Only this year, an additional 1,400 figures, arrayed around field headquarters and protected by cavalry and archers, were added to the display, with more to come.

En route to the terra-cotta army, we drove past scores of unopened tombs, plus the vast tumulus, 260 feet high and built by 700,000 workers, that encloses the emperor, his wives and architects (buried there to assure their silence about its treasures). Old records say the mau-

soleum contains a throne room, a copper dome showing the sky, a relief map of China with rivers flowing with mercury, all said to be guarded by booby traps.

Because Chinese excavators are not sure their skills are equal to the challenge of toxic mercury, an assault on the tumulus is being deferred. Diggers have ample work meantime, at innumerable tombs near Xian, China's imperial capital for 1,100 years. The very best finds, all dug since the 1960s, are in the new Provincial Museum, opened in 1991, as awesome as it is uncelebrated. Here in pristine condition are regiments of Tang horses, exquisite bronzes, two miniature armories and vivid frescoes.

Abetting the boom is a 1991 law requiring surveys and salvage work before breaking ground on major engineering projects. Thanks to oil discoveries in the Xinjiang Uygur autonomous region, this has given archaeologists funds for long-delayed campaigns. For the first time, major joint projects are under way with American, French and Japanese scholars, in half-buried Silk Road cities in the Taklimakan Desert and the Caves of the Thousand Buddhas in Dunhuang. This has been accompanied by a revision of old dogmas. No longer are Western explorers like Sir Mark Aurel Stein vilified simply as plunderers. From the turn of the century until the 1930s, Britain's Stein and Sweden's Sven Hedin among others, were the first to draw the world's attention to the ancient riches in China's deserts and caves, thus opening the way to today's golden age.

In a country where the market mentality thrives, it is the Chinese themselves who have plunged into the swelling antiquities trade. New and tough laws have not deterred wholesale plunder. Artworks are readily smuggled by boat to Hong Kong, where in 1994, according to the current Archaeology magazine, customs officers seized 500 Han and Tang figurines worth \$5.7 million. With 350,000 tombsites, China is an easy target for pillage.

"To be rich," instructs a peasant saying, "dig up an ancient tomb; to make a fortune, open a coffin." In today's China, the past is hot one more bonanza, and China's still-buried wonders may be to the next century what Greek and Egyptian treasures have been to ours.

The New York Times.

LETTERS TO THE EDITOR

Misplaced Blame

Regarding "Agreement of Last on the Old Notion of Partitioning Israel" (Opinion, Oct. 20), by Gideon Rafael:

The United Nations and its secretary-general are blamed by Mr. Rafael, the former director general of Israel's Foreign Ministry, as contributing more than anyone else to the outbreak of the Six Day War between Israel and Egypt in June 1967. The secretary-general is supposed to have accepted Egypt's ultimatum to withdraw the UN peacekeeping force stationed on Egypt's side of the border with Israel and thus to have paved the way for the attack on Israel.

Let us remember that peacekeeping is not provided for under the UN Charter. In inventing the first UN force, the General Assembly told the secretary-general that UN soldiers could be stationed only in "host" countries that consented to their presence. This directive also applied to governments providing soldiers.

After the Suez War in 1956, Egypt and Israel were both offered a UN force in buffer zones on the border. Egypt accepted contingents from India and Yugoslavia; Israel declined

to accept any United Nations contingent. That force fulfilled its mandate until May 17, 1967, when Egypt withdrew its consent.

The secretary-general pleaded with Egypt to reconsider, and once again offered Israel a force. Both efforts failed. Moreover, India and Yugoslavia gave in to Egyptian pressure and agreed to withdraw their contingents regardless of the secretary-general's sentiments. Egypt started the Six Day War on June 5.

It is crystal clear that contrary to Mr. Rafael's view, the secretary-general is not the one to be blamed.

JAN SCHUMACHER
Paris.

The writer is a former acting deputy director of the UN's Field Operations Service.

On Smoking

As an American visiting Europe now for three months, I have found no evidence for the implied claim in Philip Morris ads that smokers here give any thought to others. They never ask if smoking will bother me — not even when they light up in places where smoking is forbidden,

or in closed vans where their smoke can't be avoided. Philip Morris might more usefully put on all their billboards and on every pack of cigarettes a plea to smokers to check that their neighbors don't object before they light up.

JACK BASS
Meylan, France.

For all of my 58 years, in 100 countries of this world, very few days have gone by during which, indoors or out, I have not been forced to inhale someone else's tobacco smoke — with no questions asked.

DONALD DE ROHAN
Heidelberg, Germany.

He Was There

I am writing to express my astonishment that the name of the prime minister of the Slovaks Republic, Vladimir Mečiar, was omitted from the list of those at the funeral of Prime Minister Yitzhak Rabin ("A Who's Who of World Leaders Attending Jerusalem Rites," Nov. 7).

FRANTISEK DLHOPOLČEK
Slovak Ambassador
Tel Aviv.

BOOKS

J.M. PEI:
Mandarin of Modernism.
By Michael Cannell. 402 pages.
35. Carol Southern.
Reviewed by Witold Rybczynski

At the time of the recent opening of Cleveland's Rock and Roll Hall of Fame and Museum — or, rather, the I.M. Pei-designed Rock and Roll Hall of Fame and Museum, as it was invariably called — I heard a radio interview with one of the museum officials, who was asked about the famous architect. "Wasn't it odd that Mr. Pei, who is a self-proclaimed lover of classical music and who doesn't listen to rock and roll, was chosen to be the designer?" asked the interviewer. "Not at all," answered the official. "We specifically wanted him because we knew that the Pei name would be recognized and would give credibility to the whole project."

There are not many contemporary American architects who carry that sort of prestige. Philip Johnson, perhaps, or Frank Gehry? But Johnson, despite his celebrity, has never received a commission for a nationally important civic mon-

ument; neither (yet) has Gehry. Pei on the other hand, had designed on two of them: the East Building of the National Gallery of Art in Washington and the overhaul of the Louvre Museum in Paris. One can debate the architectural merits of both projects, but the East Building is immensely popular with visitors (although less so with the curators), and the refurbished and enlarged Louvre is widely favored by Parisians. Moreover, the glass pyramid that Pei installed in the Louvre's Cour Napoléon seems destined to become a landmark as recognizable as the Eiffel Tower or the Arc de Triomphe.

Yet Pei is not universally admired in the architectural world. Although his office has been the training ground for dozens of talented architects, including William Pedersen, Ulrich Franzen and James Polsek, as well as Henry Cobb and James Ingo Freed, who became his partners, there aren't many Pei disciples, as there were Mies van der Rohe disciples or Louis Kahn disciples. Nor does there appear to be a Pei philosophy of design. "He's not a design influence," Philip Johnson told Michael Cannell, the author of this new biography of Pei,

Why is the best-known architect in America, who has been commissioned to build some of the most important buildings here and abroad, not also acclaimed by his peers? Is this a reflection of the shallowness of modern celebrity, or is it, perhaps, an indictment of the rest of the architectural profession, which has grown increasingly estranged from the values of the public it purports to serve, and is more interested

in a "body of theory" than in beautiful buildings?

Although so-called postmodern design was supposed to be more accessible, more user-friendly, one might say, it was precisely the modernist Pei's buildings that were popular with the public and equally popular with a distinguished series of patrons: Jacqueline Kennedy, Paul Mellon and J. Carter Brown, and François Mitterrand. How does Pei manage to turn cool modernism into such hot stuff?

Cannell struggles mightily with these questions, and if he doesn't provide a satisfactory resolution, he does give the reader many useful and interesting insights into the way that architecture is practiced today. Cannell is a journalist, and he sometimes seems unsure of his subject, which causes him to lean on outsiders' opinions as regards Pei's designs. This produces many one-liners, such as the catchphrases cited above, but unfortunately it doesn't produce a coherent analysis of the work.

On the other hand, Cannell is a conscientious journalist, and he describes the actual business of architecture thoroughly and engagingly. This book provides a clear description of how large commercial buildings get designed and built than any other I have read.

Evidently, Pei is an exceptional person, yet he is so withdrawn and impenetrable — Cannell obviously had very little access to his subject — that he remains almost a bystander in his own biography. This book is a satisfactory exploration of Pei's professional achievements, but it's "too bad," as Philip Johnson is quoted as saying, "one can't grasp the man himself."

Witold Rybczynski, who teaches at the University of Pennsylvania and is the author of "Looking Around: A Journey Through Architecture," wrote this for *The Washington Post*.

CHESS

By Robert Byrne

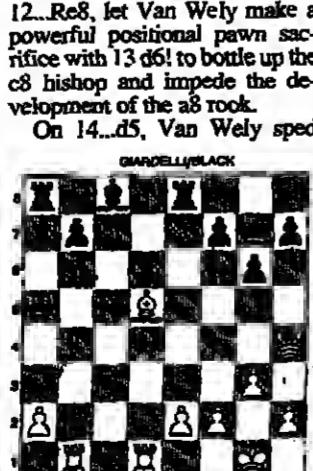
At the Sixth Miguel Najdorf Tournament in Buenos Aires, first place went to the 23-year-old Dutch grandmaster Loek Van Wely and the 25-year-old Spanish international master Pablo San Segundo.

Van Wely exhibited nice attacking skill in his defeat of the Argentinian international master Sergio Giardelli. The Dutchman sacrificed a pawn for a lead in development and soon followed it with the offer of a bishop to break up the enemy king position.

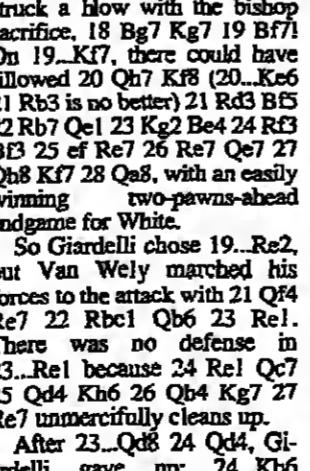
It was unusual for Van Wely to recapture with 7 Qd4. After 7...Nc6 8 Qh4, Giardelli could not obtain parity in the center with 8...d5? because 9 ed Nd5? 10 Nd5 Qd5 11 Ng5 wins the black queen.

The reduction of material with 9...Ne5 10 Nd5 11 cd2 Bf3 did not solve Black's problems. Had he tried 12...Bf6, then 13 Bg5 Bg5 14 Qe8 15 Rfd1 Kg7 16 Rfd1 Kg7 17 Qe7 f6 18 Qe3 dg6 19 Re4 Qd8 20 Rcl 21 Re4 yields White clear superiority in space and mobility.

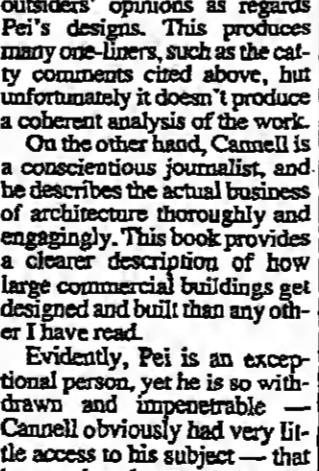
After 17...d6, Giardelli may have been hoping for the in-



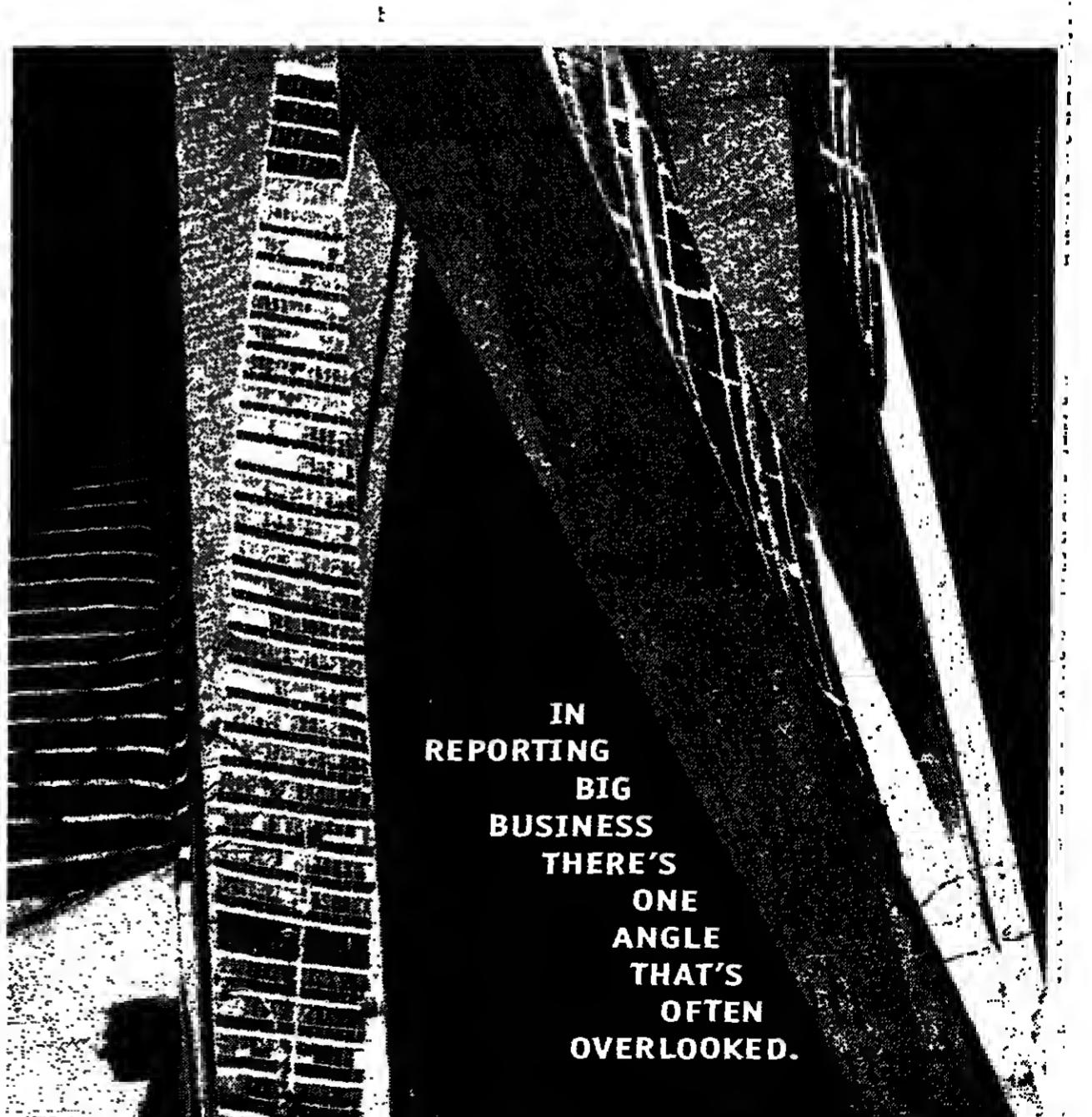
Position after 18...Kg7



Position after 18...Kg7



Position after 18...Kg7



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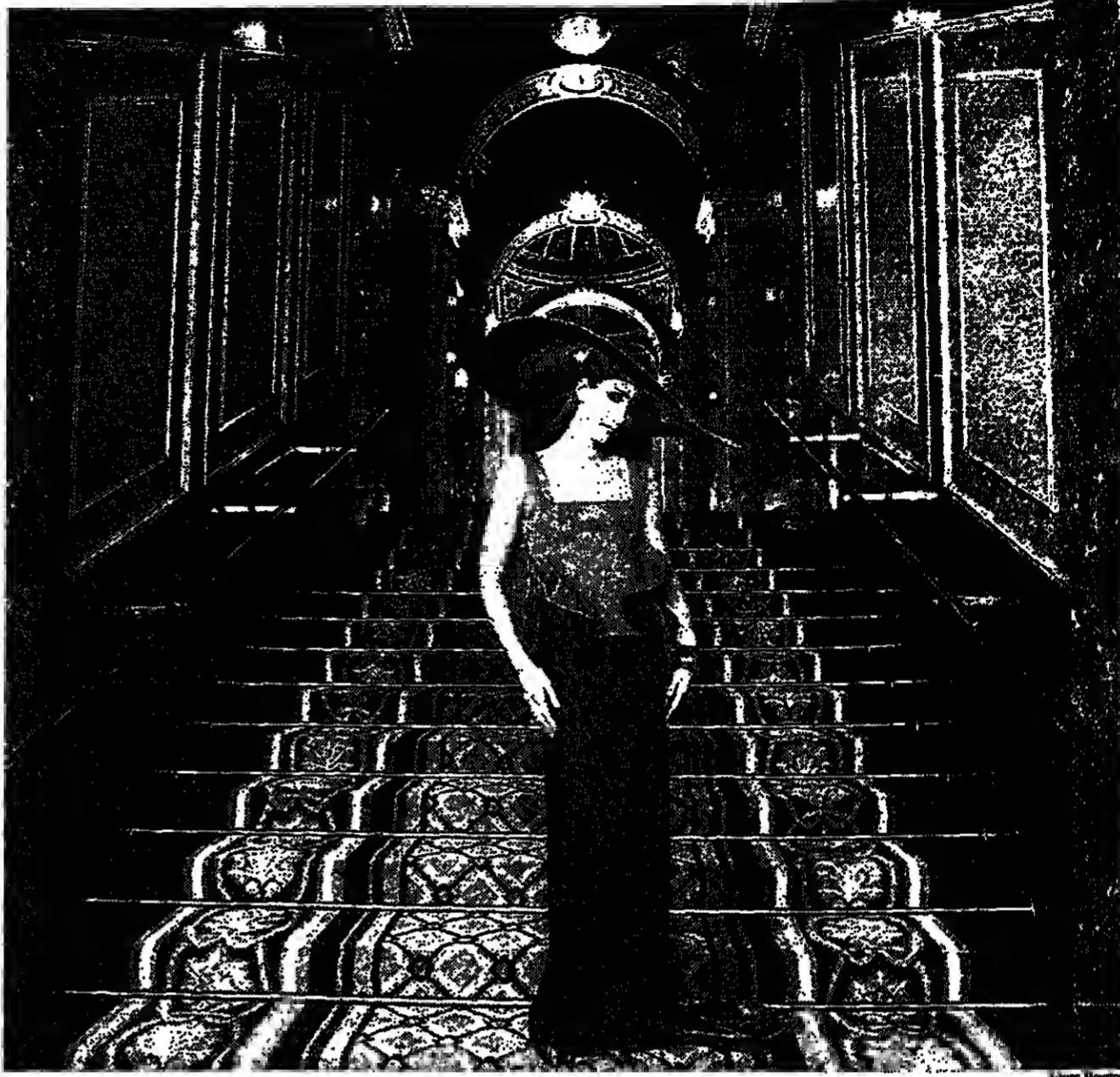
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From Anouska Hempel's couture collection, fitted brocade coats opening over long skirts.



Hempel's scarlet satin evening dress with a satellite of fabric circling the hips and flying saucer hat.

Very Anouska — Hempel's World of Exteriors and Interiors

By Suzy Menkes
International Herald Tribune

LONDON — While the British public was glued to television watching the Princess of Wales baring her soul, Diana's own eyes were focused on fashion.

She gazed at a corkscrew hat, shaped like a giant question mark, above a sinuous black velvet dress; a blood-red bodice with a satellite of fabric spinning around the hips; flying saucer hats; a cardinal's cape on a royal purple dress studded out of ribbons. Very rich. Very dark. Very glam. Very Anouska.

The gala benefit — a concert by Mstislav Rostropovich and Sir Georg Solti — was orchestrated by the polymath designer, Anouska Hempel, better known to the upper crust crowd (and always to her staff) as Lady Weinberg.

Hempel is famous for creating Blakes Hotel, opened in 1978 as a womb-from-home for an elite clientele.

Other current design projects include the makeover of Louis Vuitton's major stores — to be unveiled in 1996, the centenary year of the French luxury goods company.

For spring 1996 there is a new hotel and

a garden square in West London — all minimalist blank walls in textures of white — designed to catch the spirit of the millennium as the eclectic mix at Blakes has defined the end of the century.

Add to those, commissions to design the interior of a yacht in Mallorca, apartments at the Pierre Hotel in New York and in Istanbul, a gala here and a corporate headquarters there, and you have to ask: how does she do it all?

"Sheer willpower and my own sort of strength, energy and perfectionism," says Hempel, who could be described as "petite" if that did not suggest a dizzy little blonde rather than a formidable forceful woman with "my own little rod of steel."

All her projects, she says, are interconnected. Or to use her own architectural metaphor, they "dovetail." That can mean that a grid-pattern for a smocked dress "looks exactly like the Elizabethan knot-garden" — in front of the new hotel, which will be called The Hempel. Or it can be a literal connection between the 10-strong design team.

"The hatmaker makes the lamp shades — all those hats in the fashion show will be white lamp shades in the new hotel," she says.

Hempel came to England from her native



Hempel at Blakes Hotel. She is now designing The Hempel in London.

Australia in the 1960s and retains a trace of that swinging era in her doe-eyes, swinging hair and sophisticated hippie style. She calls herself an "intellectual romantic."

The lure of London, its palaces, elegant architecture and fresh green gardens, was irresistible to a young woman brought up in British colonial suburbia in a small mining town. After the wide open spaces of the outback, coming to a city "jammed" with people was "pure heaven."

Youthful dreams of "living in Kensington palace" are not so far removed from the reality of a grand lifestyle in town and country with her present husband, the financier Sir Mark Weinberg. Princess Margaret is a close friend of the couple. Hempel's upscale client list includes Princess Michael of Kent (and occasionally Diana).

Blakes, with its refined and raffish style (a different decor for each of the 52 rooms) attracts famous names like Robert De Niro and Mickey Rourke and fashion designers Jean Paul Gaultier (a habitué), Christian Lacroix and Issey Miyake.

The hotel rooms, with their rattan furniture, tortoiseshell accessories, swags of fabric and swooshing black bows can look like a film set. Hempel calls the enclosed and sometimes stifling interiors "jewel-

like, with a night-time quality and the influence of India and the East."

In her private life, friends describe Lady Weinberg as playing châtelaine on a grand scale, unpacking Louis Vuitton trunks of china and glass for a beach picnic on a holiday isle.

That was a harbinger for her new role at Vuitton, where she has worked offstage for two years creating a new environment (complete with restaurant) for the stores. She is also designing products, although the project is under wraps until the unveiling of a Louis Vuitton store on the Paris Left Bank next month.

HEMPEL'S ambitions do not end there: she dreams of showing her own collection in Paris or even of taking over a couture house. She berates herself for not having enough time to expand the small fashion business she started eight years ago.

"I should be moving into a bigger and better area," she says. "I should be a little more serious, but I am so damned busy."

Hempel's talent can best be defined by a contradiction in terms: she is a dilettante with exceptional drive and focus on her diverse projects. In quick succession she calls Blakes' housekeeper about a wom-

bedcover, checks the fundraising of the royal gala (£250,000); and discusses the fight she is having with the Japanese backers of the new hotel over her insistence on super-high quality. Since all the 'H' for Hempel logos are complete, she announces that if she removes her name, it would have to be called "Hasselblad" or something."

If Hempel's volatile temper is legendary, so is her generosity. And her attention to detail. Take the dinner. Not just the setting in the grand gilt, mosaic and frescoed mansion (wheelied out of a millionaire friend for the evening); nor the candelabras borrowed from same antique dealers; but also the food. That was orchestrated in the tones of one dark rich color that has become her fashion trademark: wine-dark borscht followed by beetroot and fish, red cabbage and cranberries with the lamb, and pears soaked in cassis for dessert.

The Hempel hotel will be in shades and textures of white from marble dust through rustic stripes. You may find there footmen wearing plimsolls, as they greeted guests yearning for peace and quiet in the Weinberg's holiday home. And one thing is for sure. If there is one mark on the white floor, there will be hell to pay — and Lady Weinberg will be the first down on her Armani-clad knees to wipe the offending blot.



Teddy Sumner, left, Nestlihan and George Jevremovic, Black Mountain Looms partners.

By Ann Brocklehurst

NEW YORK — In the beginning, there was the Oriental rug made in the Orient. It was designed by locals, made from hand-spun wool and colored with vegetable dyes.

Then came automation and the 20th century. The Oriental rug was still made mostly in the East. But it was designed by foreigners, made from machine-spun wool and colored with synthetic dyes.

Now comes globalization and the '90s. The Oriental rug of today is designed collectively by locals, foreigners and the

occasional computer, made from Turkish fleece hand-spun in China, and colored with vegetable dyes rediscovered by a German chemist.

This new Oriental rug is one of the 7,000 carpets produced each year in Turkey, China, India and Romania by the U.S. company Black Mountain Looms. The firm is a partnership venture between the rug dealers Teddy Sumner of Michaelian & Kohlberg and George Jevremovic of Woven Legends. According to Leslie Stroh, publisher of Rug News, the two men are "the cause of the new interest in Oriental rugs."

Sumner is the grandson of Michael (Frank) Michaelian, a legendary figure in the carpet world who ran operations in Persia, India, China and the United States. Photos of his travels line Michaelian & Kohlberg's lower Broadway showrooms and offices.

Summer, who studied botany and fine arts, joined the family business after his grandfather died in 1978. He is largely responsible for its overseas operations while his brother runs Spinning Wheel Rugs in North Carolina, a custom designer that has made carpets for the White House Oval Office, the king of Saudi Arabia's jet plane and Whoopi Goldberg, among others.

Jevremovic developed what he calls his "obsession" with rugs when he moved to Turkey to be with his Turkish girlfriend after university. "I resolved in a very short period of time to learn as much as I could about the rug business," he said.

When he eventually returned to the United States, his girlfriend, Nestlihan, had become his wife and business partner, and he was literally selling antique rugs out of the back of his car. At the time, he "wouldn't be a new carpet."

"They all tended to be lifeless in terms of coloration, design and quality of wool," he says. "Oriental carpet weaving was not just in decline but dead."

But Jevremovic changed his mind when he saw the rugs produced by Turkey's DOBAG cooperatives, started in 1981 by the German chemist and rug scholar Harald Böhlmer and sponsored by Marmara University in Istanbul. He bought DOBAG (the Turkish acronym for Natural Dye Research and Development Project) carpets for his Philadelphia store until he decided to start up his own production to provide more di-

versity of design, color and size. He is now the largest private-sector employer in the southeastern Turkish state of Adiyaman and has some 9,000 weavers, mostly girls and young women, on his payroll.

"The first time I saw those rugs, I thought they were so neat," says Summer. "They looked like they had character. I was getting bored with the homogeneity of perfect cookie-cutter rugs."

While Summer was particularly struck by the effects of using materials such as vegetable dyes and hand-spun wool, Jevremovic admired what Michaelian & Kohlberg had achieved in design. Eventually, the two men decided to put their skills together to found Black Mountain Looms in 1990.

BY that time, China had opened up to foreign business ventures and Summer had returned to the coastal city of Tianjin where his grandfather had owned a carpet factory before the Japanese occupation. With operations here as well as Turkey, Romania and India, he and Jevremovic are getting used to questions about the working conditions they provide. They are quick to respond that despite the nasty reputation of the rug business for using child and indentured labor, Black Loom weavers often work at home on their own schedules, earning good wages by local standards.

In China, Summer originally produced floral-patterned needlepoint carpets, but the venture proved so successful that several copycat factories sprang up and supply began to outstrip demand. He then turned his attention to other types of carpet making, including pro-

duction for Black Mountain Looms. Last year, the dye master from Turkey was sent to instruct the Chinese in the preparation and use of vegetable dyes and several old women with experience in hand-spinning taught their techniques to younger workers.

Ironically, these traditionally produced materials are then used to produce Black Mountain's Van Campen collection, designed by American artists on computers. It's the opposite extreme from company projects in India and Turkey where weavers design their own one-of-a-kind rugs.

"We broke what had been a nasty tradition for a long time that all rugs made in rug-producing countries have to be dictated to weavers," says Jevremovic. Even though Turkish weavers tend to stick to secular imagery, while Indians generally prefer religious motifs, the results are often an imagery not normally associated with particular areas.

While many rug experts consider these carpets "modern collectibles," others find that the resulting aesthetics can be jarring. Also, old-style rug producers will often insist that a carpet from a certain village must be made using indigenous materials in the tried-and-true fashion. Summer says he's sometimes told that his grandfather would never have done it this way.

"My feeling is," he says, "that if the people that lived in these villages had had these materials and these design ideas at their disposal, they wouldn't have made the same rugs over and over again.... In 1995 they have all these other things at their disposal."

Ann Brocklehurst is a journalist based in Montreal.

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THE AMERICAS

Diller Moves to Polish Silver City

By Geraldine Fabrikant
New York Times Service

NEW YORK — Barry Diller, who built his reputation creating the Fox Network and expanding QVC Inc., the home shopping service, has moved on two fronts to expand the reach of his new enterprise, the Silver King television network.

Mr. Diller, Silver King Communications chairman and chief executive, has agreed to acquire a controlling stake in Home Shopping Network Inc. from its parent company, Tele-Communications Inc.

Using Silver King stock as payment, Mr. Diller will buy Tele-Communications' 35 million shares of Home Shopping in a transaction valued at \$300 million. The 35 million shares represent 41 percent of the equity and 80 percent of the voting stock of HSN.

Separately, Mr. Diller will use roughly \$210 million of Silver King stock to acquire Savoy Pictures Entertainment Inc., the troubled film company that is run by Victor Kaufman and Lewis Korman.

Savoy owns four television stations — in New Orleans; Mobile, Alabama; Honolulu and Green Bay, Wisconsin — all affiliated with the Fox television network, a unit of News Corp.

Mr. Diller is trying to build Silver King from a small player into a major network business, as he did with Fox in the 1980s. The Savoy deal gives him new stations and a fund of cash to draw on.

In the transaction, Savoy shareholders will get 0.2 shares of Silver King for each share of Savoy. There are currently 6 million shares of Savoy outstanding.

Silver King, which currently has about 10 million shares outstanding, will issue roughly 11 million new shares to acquire Tele-Communications' stake in the Home Shopping Network and 6 million shares to buy Savoy, bringing the total number of shares to 27 million.

As a result it has some powerful but unhappy shareholders, including the Pritzker family of Chicago, Dan Lufkin.

As a result it has some powerful but unhappy shareholders, including the Pritzker family of Chicago, Dan Lufkin.

The purchase of the Home Shopping Network is Mr. Diller's bet that he can turn the troubled shopping service around and make it as profitable as its rival QVC was under his stewardship.

In August, when he first purchased a 20 percent equity stake in the St. Petersburg, Florida-based company, Mr. Diller was made a member of the board of the Home Shopping Network. At the time, Tele-Communications controlled HSN and had a major stake in Silver King.

John Malone, the chief executive of Tele-Communications, was backing Mr. Diller in both ventures.

HSN, now controlled by Tele-Communications, America's largest operator of cable systems, has been doing poorly and has been a drain to Tele-Communications.

It lost \$17.7 million in the third quarter of 1995. Dennis Leibowitz, an analyst at Salomon Brothers, said that HSN's

margin of 1.5 percent is "the reason for Savoy's television stations, a solid infrastructure and cash," he said.

Despite Mr. Kaufman's record as head of Savoy, Mr. Diller said he expected Mr. Kaufman to stay with the company. Mr. Kaufman is well regarded in the industry for his deal-making skills.

Several media executives pointed out that just as Mr. Malone is betting that Mr. Diller can help turn around HSN, Herbert Allen and other shareholders are agreeing to bring Mr. Diller in, betting that their new shares in SKTV would be more lucrative than their stake in Savoy.

Mr. Allen, the head of the investment bank Allen & Co., was Mr. Diller's investment banker when Mr. Diller, then chairman of QVC, attempted a takeover of Paramount Communications Inc.

But all these maneuvers still left unanswered precisely what Mr. Diller's programming strategy for Silver King will be. He expects to clear one hurdle within the next year, when Silver King stations no longer have to carry Home Shopping Network.

one of the founders of Donaldson, Lufkin & Jenrette, the investment banking firm, and Capital Research, whose media expert, Gordon Crawford, is the largest shareholder in many media companies.

Still, Savoy's financial picture has some allure. It owns interest in four television stations with News Corp. It has \$100 million in cash and \$55 million in receivables.

Analysts suggested that Mr. Diller was buying Savoy, for which he is paying virtually no premium, as a means of raising cash, since he could sell the television stations for roughly \$120 million.

Mr. Diller said, however, that the company had other advantages because it had an infrastructure with offices in New York and Los Angeles, and he added that he had not decided to sell the television stations, which could help expand the reach of SKTV's own stations. "The reason for

Savoy's television stations, a solid infrastructure and cash," he said.

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Interest Rates Fuel Stocks to New High

Compiled by Our Staff From Dupont

NEW YORK — Stocks climbed to another record high Monday, led by financial issues, as investors bet that lower borrowing costs will boost earnings next year.

"The slow-growth, low-interest-rate environment is great for stocks," said Arthur Micheletti, investment strategist at Baird, Biel & Kaiser.

The Dow Jones industrial average gained 22.04 points, to a record close of 5,070.88. Ad-

U.S. STOCKS

vancing issues outpaced decliners by a 6-to-5 ratio on the New York Stock Exchange.

Signs that economic growth continues to be sluggish encouraged investors to bet the Federal Reserve Board will lower rates soon.

The National Association of Realtors said the number of previously owned homes sold in October fell 1.9 percent, the first decline in six months. That triggered gains in bonds and pushed the yield on the benchmark 30-year down.

The benchmark 30-year Treasury bond rose 10/32, to 88 25/32, down from 86 6/32 percent on Friday.

The prospect of lower rates was good news for financial-services companies and banks, whose profit margins widen as rates fall.

"The environment for financial assets and stocks in particular continues to be favorable" as the prospect of lower rates spreads, said James Weiss, money manager at IDS Equity Advisors.

Gainers in the sector included NationsBank, which rose 1 1/4 to 72 1/2, and Federal National Mortgage Association, which climbed 3/4, to 108 3/4.

Savings-and-loans also climbed as expectations grew that potentially favorable tax laws will make them attractive takeover candidates. A tax law change in the congressional budget could produce billions

of dollars of windfall savings for the thrift industry.

Glendale Federal Bank rose 4/4, to 16 1/2, California Federal Bank gained 3/4, to 15 1/4, and Golden West Financial rose 1, to 52 1/4.

Walt Disney gained 5/8, to 62 7/8, after the company's "Toy Story" animated film led the U.S. box-office listings over the Thanksgiving Day holiday. The entertainment company is also expected to post a 19 percent rise in its fourth-quarter earnings this week.

Companies that make products for computer on-line services continued to recoup last week's losses.

"Some people are suggesting that Microsoft's and Intel's domain might be topped a little bit and that a big tech company in the next century could be Netscape," said Conrad Hermann, a manager for Franklin California Growth Fund.

Shares of the software maker Netscape were up 1/4, at 111, and Cisco Systems, which makes computer networks used for the Internet, rose 3/4, to 79 3/4.

Among other technology issues, Microsoft rose 11/16, to 88 11/16, Texas Instruments gained 1/8, to 55 1/4, but Intel fell 1 1/8, to 61 1/8, and Compaq declined 1 1/8, to 46 1/4.

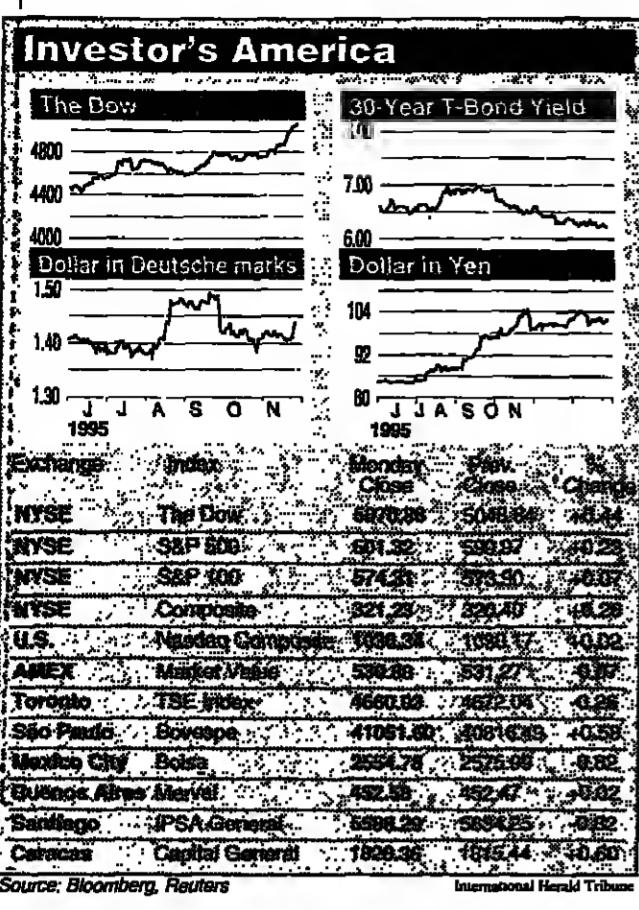
Gold-mining stocks also climbed. Prices of gold jumped as much as \$3.50 an ounce to \$385.60 for delivery next month in response to expectations of falling interest rates in major industrial countries and rising demand from jewelers and other users of the precious metal.

Newmont Gold rose 1 1/8, to 39 3/4, and Barrick Gold climbed 7/8, to 26 1/4.

Among other issues, Boston Technology rose 3 1/4, to 154, after AT&T said it would buy 5 million of the company's shares. AT&T gained 3/4, to 63 1/4.

First Alert fell 4/4, to 9, after the smoke-detector maker said it expected financial 1995 sales to be about with its \$248 million revenue last year.

(Bloomberg, Reuters)



Very briefly:

- Business confidence in the U.S. economy fell in November to the lowest level in more than two years, as fewer executives indicated plans to increase production, the Cahiers Business Confidence Index showed. The index dropped to 64.9 after having risen to 65.4 in October.
- CCH Inc., which provides tax and business law information, software and services, agreed to be acquired by the Dutch publisher Wolters Kluwer NV for \$1.9 billion.
- Foodbrands America Inc. agreed to buy TNT Crust Inc., a closely held pizza-crust maker, for \$55.1 million.
- Toyota Motor Co. will announce plans to build a \$1 billion truck plant in Evansville, Indiana, according to two sources familiar with the plans.

Bloomberg, Reuters, AFP

Weekend Box Office

The Associated Press
LOS ANGELES — "Toy Story" dominated the U.S. box office over the weekend, with a gross of \$38 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Toy Story	(Disney)	\$32.1 million
2. <i>Toy Story: When Nature Calls</i>	(Paramount)	10.7
3. <i>Money Train</i>	(Columbia)	\$1.1 million
4. <i>5. Casino</i>	(Universal)	\$1.4 million
5. <i>The American President</i>	(Columbia)	\$1.5 million
6. <i>It Takes Two</i>	(Warner Bros.)	\$4.7 million
7. <i>It's a Knockout</i>	(United Artists)	\$4.45 million
8. <i>Mick of Time</i>	(Paramount)	\$2.9 million
9. <i>Home for the Holidays</i>	(Paramount)	\$2.91 million

Source: The Hollywood Reporter

FTSE 100 Index: 3,949.00
Previous: 3,944.00

FTSE 100 Index: 3,944.00
Previous: 3,941.00

FTSE 100 Index: 3,941.00
Previous: 3,938.00

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FTSE 100 Index: 3,935.00
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FTSE 100 Index: 3,870.00
Previous: 3,868.00

FTSE 100 Index: 3,868.00
Previous: 3,866.00

FTSE 100 Index: 3,866.00
Previous: 3,864.00

FTSE 100 Index: 3,864

Kvaerner's Offer For U.K. Builder Gains Momentum

Compiled by Our Staff From Dispatches
LONDON — Kvaerner A/S on Monday made an offer valued at £375 million (\$585 million) for AMEC PLC after AMEC's main takeover defense appeared to collapse.

Forte Lashes Out At Granada Bid

Bloomberg Business News
LONDON — Forte PLC, defending itself against a £3.4 billion (\$5.3 billion) bid by Granada Group PLC, lashed out at Granada on Monday, calling it "an old-fashioned 1980s-style acquisition machine" that was trying to buy its assets at a bargain price.

Forte, Britain's largest hotel company, said Granada "fails to understand Forte's business and ignores the achievements of Forte's new management team."

The owner of London's Savoy Hotel, which Granada says it would sell, urged its shareholders to reject the "wholly inadequate" offer.

"Granada brings nothing to Forte," said Sir Rocco Forte. "This is more than an opportunistic attempt to capture Forte's growth, its potential and its premium assets on the cheap."

AMEC rejected the widely expected offer, saying it "fundamentally undervalued" the British builder's potential.

Kvaerner, a Norwegian shipbuilding and industrial concern, offered 100 pence for each AMEC common share. If the bid succeeds, Kvaerner would later have to buy preferred shares as well.

AMEC withdrew a bid for a rival, Alfred McAlpine PLC, after McAlpine spurned the £127 million stock-swap offer.

The chief executive of Kvaerner, Erik Torsen, said he was unhappy about the McAlpine bid, and several analysts said its failure was likely to seal AMEC's fate.

Kvaerner, Europe's biggest shipbuilder, wants to use AMEC's Pacific Rim facilities.

After Kvaerner bought about 10 percent of AMEC last week, raising its stake to 12 percent, the target sought to ward off a full takeover offer with the

McAlpine bid.

"It looks increasingly likely that AMEC will not be independent any longer," said Howard Proctor, an analyst at Société Générale Strauss Turnbull Securities in London.

AMEC shares closed up 2 pence, at 98. McAlpine shares dropped 19, to 140 pence.

Kvaerner shares fell 3 kroner, to 214 (\$34.30). (Bloomberg, AP)

ENI Demand Runs Low

Italian Energy Firm's IPO Looks Bleak

Bloomberg Business News

MILAN — Shares of Ente Nazionale Idrocarburi SpA will begin trading Tuesday at what analysts expect will be a level just above the 5,250 lire (\$3.30) issue price, reflecting a slack demand for one of the world's largest oil and gas companies.

The initial public offering for ENI SpA is the biggest in the world this year and the largest moneymaker for the Italian government since it began selling off state assets to the public three years ago.

Still, retail investor interest has been weak, and traders and fund managers said they did not expect the shares to open more than 50 lire above the offer price. As many as 1 billion shares were set aside for private investors, but just over 400 million were sold.

People who have asked for the shares have gotten them, said Andrew Shearn, a trader at Paribas. "Unless we see some new buyers in the market, the price won't move very much."

Hoping to avoid price drops that have characterized the initial public offerings of previous state assets, the government set ENI at the low end of the forecast range. The gov-

ernment also reduced the size of the sale to 15 percent of its stake from an originally planned 20 percent.

The government raised 6.3 trillion lire from the sale.

"ENI shares will perform better than past privatizations because the ENI issue is much more aggressively priced," Mr. Shearn said.

Demand for ENI was lower than expected because of the poor performance of the Milan stock exchange, which has fallen more than 10 percent this year, and disappointment with the previous state asset sales.

Shares of other Italian state assets have dropped significantly from their issue price. Since their initial public offering in mid-1994, shares of Banca Commerciale Italiana SpA have tumbled 30 percent. Shares of Credito Italiano SpA are down 12 percent, and Istituto Immobiliare Italiano SpA has fallen 21 percent.

The Treasury sold a total of 401 million shares to Italian retail investors and 468 million to institutional investors. Some 177 Italian funds or other institutions acquired shares.

Figures for the number of shares sold to foreign investors have not been released yet.

Terms Expected to Help Repsol Sale

Bloomberg Business News

MADRID — Spain's planned sale of a further 7 percent of the oil company Repsol SA should attract strong interest from investors, given the offering's relatively small size and attractive price, analysts said Monday.

Unlike the disappointing sale of Telefónica de España SA last month, the next offering of shares in Repsol, Spain's largest oil marketer and refiner, will be directed entirely at institutional investors.

That should eliminate the uncertainty and expense of a retail sales campaign, analysts said. In addition, some institutions did not get as

much of Repsol as they wanted in April, when it sold a 19 percent stake.

Spain's cabinet approved a decree Friday that would give the government control over key management decisions after the sale. The sale, scheduled for the first quarter of 1996, would reduce the government's stake in Repsol to 14 percent.

The Repsol sale would put 21 million shares on the market, which at current market prices would raise about 81.5 billion pesetas (\$669 million). Repsol's share price fell 5 pesetas Monday, to 3,900, but the price has risen since the previous offering at 3,620.

Paris Plans More Aid For Small Businesses

Compiled by Our Staff From Dispatches

PARIS — Prime Minister Alain Juppé unveiled a plan Monday to support small and medium-sized businesses, encourage job creation and drive down France's 11.5 percent unemployment rate.

The plan promises broadened financing, low-interest loans, tax breaks and reduced red tape for small businesses.

It also tightens regulations on large supermarkets, or hypermarkets, that offer prices that undercut smaller retailers and draw crowds to suburban areas.

"It is chiefly the small and medium-sized businesses that will provide tomorrow's jobs," Mr. Juppé told a convention of such enterprises.

"They are the driving force behind the French economy."

Mr. Juppé said that in September alone, 7,600 small businesses were set up in France.

The package, to be implemented by next summer, calls for cutting taxes on companies with annual sales of less than 50 million francs (\$10.3 million) to 19 percent from 33 percent.

To slow the growth of hypermarkets, the package will require official authorization for new retail developments of 300 square meters (3,230 square feet) or more, compared with current thresholds of 1,000 to 1,200 square meters.

Retail units of 6,000 square meters or more will be subject to a public hearing, Mr. Juppé said, and punishment for infractions of the law will be increased.

Proposals for new developments that are now under consideration will be subject to the new thresholds, he said.

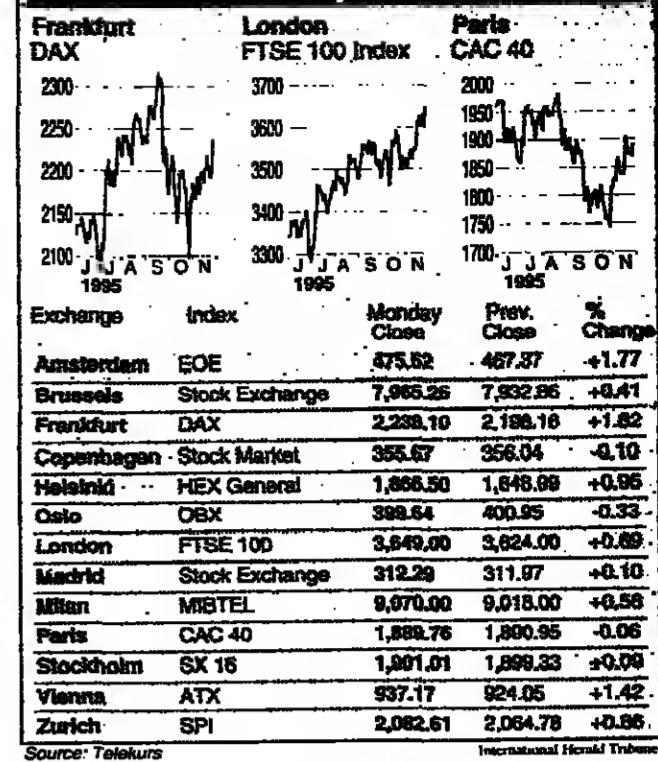
Mr. Juppé also said measures would be taken to sanction supermarkets that practiced dumping and excessive underpricing.

"Sales promotions must no longer promote unemployment," he added, referring to the hypermarkets' discounts.

Mr. Juppé added that it would no longer be possible for a large retailer to unilaterally stop doing business with a supplier without prior notification.

(Bloomberg, AFX)

Investor's Europe



Source: Telekurs

International Herald Tribune

Very briefly:

• Minoro SA agreed to buy BTR PLC's construction materials business, Tilenon Holdings, in an accord valued at £330 million (\$514.8 million).

• Russian securities traders will set up a nationwide group, the National Association of Professional Stock Market Participants, uniting regional brokers from St. Petersburg, the Urals, Yekaterinburg and Novosibirsk.

• IG Chemie, Germany's union of chemical workers, will accept temporary employment for the first time employed if this contributes to reducing overtime work. The 1995 chemical-sector wage agreements expire next spring.

• Komercni Banka AS's nine-month pretax profit rose 31 percent, to 7.4 billion Czech koruny (\$282.4 million), according to an international audit. The bank said the growth had come mainly from its securities holdings and a rise in lending.

• Deutsche Bank Research cut its forecast for 1996 all-German growth in growth domestic product to 1.8 percent from 2.3 percent. Citing the effect of the "overvalued mark" on exports, it also said it cut its estimate for West German growth to 1.4 percent from 2 percent.

• German regulators tightened a clampdown on insider trading by ordering banks and brokers to file electronic reports on all securities transactions beginning Jan. 1.

• Delta Air Lines Inc. said it would build a new reservation center in London and close regional offices in 11 European countries, saving £24 million over five years.

• Koor Industries Ltd.'s third-quarter profit jumped 59 percent, to 100.2 million shekels (\$33.2 million), as revenue from construction rose.

• Michelin SA, the French tiremaker, will invest £11.8 million in a plant at Ballymena, Northern Ireland. The Northern Ireland Industrial Development Board is to invest £3 million.

AFX, Bloomberg, Knight-Ridder, Reuters

Iberia Says EU Is Close to Approving New Funds

Reuters

MADRID — The European Commission is close to clearing a capital injection for the struggling state airline Iberia, Juan Sáez said in a radio interview. "I think we're nearing the end, and the end will not be bad for Iberia," he said.

In Brussels, a European Commission spokesman would not rule out that a deal might involve a cash injection to Iberia exceeding the 50 billion pesetas (\$410 million) that industry and commission sources said recently was the most that would be acceptable to the

new capital, he added. "We hope very much to have a political agreement by the end of this week," a commission spokesman said.

Iberia has pressed for a larger proportion of the 130 billion pesetas it originally applied for. The airline has produced plans to sell most of its holding in the carriers Aerolíneas Argentinas and Austral as a way of raising capital, canceling some of its 300 billion peseta debt and making the state investment more attractive.

The spokesman said the sale plans had changed the legal arguments used to approve the cash injection, moving them from a pure state-aid investigation to one based on an assessment of the viability of the airline and its attractiveness to any investor in purely commercial terms.

The aim is to put Iberia's balance sheet on a par with the rest of the sector, but there has been a long debate on whether U.S. or European airlines, which tend to have stronger bal-

ances, should be used as a benchmark.

"Once we have assured our economic viability, all that will be left is to form part of a global partnership," Mr. Sáez said. "You have to choose. Either you are a big international operator or a regional operator."

Iberia could form pacts involving cross-shareholdings or looser accords, but first it had to prove it was economically viable, he said, as no one would want to link up with a sinking partner.

AMEX

The top 300 most-active shares, up to the closing on Wall Street.

The Associated Press

Stock Sales High Low Last Chg.

AMC Str 137 316 214 81 1/4 +1 1/4

AMC pf 137 214 214 81 1/4 +1 1/4

AMC pf 137 214 214 81 1/4 +1 1/4

AMC pf 137 214 214 81 1/4 +1 1/4

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NYSE

Monday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

112 Akroin Ses
High Low Shock Ob. 1911 DEC 1911 1911 1911 1911

High	Low	Stock	Div	Yld	PE	100s	High	Low	Low/High	Chg%
A-B-C										
17	12	100			24	25	34	16%	18%	18%

12 Month High Low Stock	Div	Yld	PE	100s	Sts	High	Low	Latest Chg
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12 Month High Low Stock Day Value % Chg % Chg

High	Low	Stock	Div	Y19	PE	100s	High	Low	Lated	Chg
1146	514	5		1.33	17	13	467	57	5%	+ 16
5002	2145	5		1.33	17	13	244	244	24%	+ 55
2145	2145	5		1.33	17	13	244	244	24%	+ 55
2145	2145	5		1.33	17	13	244	244	24%	+ 55

12 Month **55**

12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Last	Chg/
11/2 18% Electra								
11/2 17/4 Electra	22s	3	22	452	195%	191%	193	+ 3%

१७ अ
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2 Month High/Low Stock	Div	Yld	PE	1993	High	Low	Last	Chg/pt
24 3200	48	1.2	18	298	48 1/2	37 1/2	39 1/2	-2 1/2
24 3200	48	1.2	18	298	48 1/2	37 1/2	39 1/2	-2 1/2
24 3200	48	1.2	18	298	48 1/2	37 1/2	39 1/2	-2 1/2
24 3200	48	1.2	18	298	48 1/2	37 1/2	39 1/2	-2 1/2

www.english-test.net

Mornin g Low Stock	Div	Yld	PE	1985	58		High	Low	Last	Chg
					1984	1985				
6 23.000000000000000000	2.34	5.1	3	27.00	24.75	24.50	24.50	24.50	24.50	-1.00
6 23.000000000000000000	2.34	5.1	3	27.00	24.75	24.50	24.50	24.50	24.50	-1.00

Fly Thai smooth as silk from Bangkok to Hong Kong 46 times a week, non-stop.

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Continued on Page 21

ASIA/PACIFIC

Asahi and Itochu To Acquire Two Chinese Breweries

Bloomberg Business News

BEIJING — Asahi Breweries Ltd. and Itochu Corp. will pay \$52.5 million for a 75 percent stake in two breweries in China, Asahi and Itochu company officials said Monday.

The purchases will make Asahi, Japan's second-largest brewer, the largest brewer in China.

Asahi will buy 45 percent of two breweries owned by China Brewery (Holdings) Ltd. from the Hong Kong-listed investment company China Strategic Holdings Co. and Itochu, a major trading company, will buy 30 percent of the breweries.

The two breweries are in Beijing and the northeastern Chinese city of Yantai.

"In grabbing a 3.7 percent share of the market, Asahi is passing other competitors, including Japanese companies such as Kirin," said Masasaki Tanaka, an analyst in Tokyo.

Thakral Plans Stock Offering

Bloomberg Business News

SINGAPORE — Thakral Corp. said Monday it planned to raise \$101 million in an initial stock offering in Singapore.

The maker and distributor of consumer electronics goods, one of the Singapore-based Thakral family's companies, is selling 135 million shares at 78 U.S. cents each; 108 million shares will be placed with investors, and 27 million will be sold publicly.

Proceeds will be used to help finance investments in China and India and to reduce debt. Thakral sells its products under such brand names as Casio, JVC and Panasonic.

With Jardine Fleming Securities. "This is very good news for Asahi."

But, he said, because Asahi will probably have a lot of restructuring to do at the Chinese companies, "it will take some time for this investment to contribute to Asahi's earnings."

Itochu is already producing beer with Asahi at the brewer's three current plants in China, shares in all of which were acquired last year from China Strategic.

China is the world's second-largest market for beer, after the United States, and consumption has grown about 20 percent a year for the past decade.

Other major foreign beer brands already in the market include Foster's, Heublein, Carlsberg, Beck's and Heublein.

There are between 850 and 900 brewers in China. Analysts expect many will be forced to amalgamate, join foreign partners or go out of business.

Kazutomo Tamesada, a spokesman for Asahi, said the company planned to introduce new Asahi brand beers to the Beijing plant next year and to the Yantai brewery in 1997.

Asahi also hopes to introduce its "Super Dry" Asahi brand beer to the plants "as soon as possible," Mr. Tamesada said.

An official at Itochu in Tokyo said Asahi will provide technology and oversee the production management at the Beijing and Yantai plants.

The "Chicken War," as it is often

Indians See Around the Two Flies

Economic Nationalism Is at Heart of KFC Shutdown

By John F. Burns
New York Times Service

NEW DELHI — Since health inspectors arrived two weeks ago at Kentucky Fried Chicken Corp.'s first restaurant here and filed a report that was then used to justify the closing of the outlet by a regional government, local wags have had a name for the episode. They call it the Tale of Two Flies.

Other Indians are not sure whether to laugh or cry. Either way, the travails of the company in the land of tandoori chicken have been the occasion for a thoroughgoing *ramasha*, the Indian equivalent of a brouhaha.

The flies — two were found in the part of the kitchen used to thaw frozen chicken — were cited by the city's health commissioner in ordering the restaurant's license canceled on grounds of "unsanitary conditions."

In contrast to China, where Mao Zedong's directive "Away with all pests!" once set millions to swatting flies, the fly has never been hard-pressed in India. The Indian restaurant has long been something of a bane away from home for flies, a fact cited by many Indian newspapers in their coverage of the controversy.

M.D. Nalapat, a columnist writing in The Sunday Times of India, even suggested that Kentucky Fried Chicken should have been "given an award," not closed, "because only two flies were found."

But flies, as many Indians have said from the start of the controversy, were more an excuse for than a cause of Kentucky Fried Chicken's problems. Like Coca-Cola Co. when it was driven out of India by a government order 20 years ago, KFC has become the latest lightning rod in a storm of economic nationalism.

The "Chicken War," as it is often

called in Indian newspapers, began three months ago, when PepsiCo Inc., the parent company of Kentucky Fried Chicken and Pizza Hut Inc., opened the first of 60 fast-food outlets it planned for India in the next seven years.

The first fried-chicken outlet, in the southern city of Bangalore, drew immediate fire from economic nationalists, who persuaded the city government to withdraw the restaurant's license.

The reason given was that chicken samples taken from the restaurant had contained dangerously high levels of monosodium glutamate, said by Indian opponents of Kentucky Fried Chicken to be carcinogenic.

The Indian executives who manage PepsiCo's restaurants obtained a court injunction staying the city's action, reopened in five hours and won a high court ruling this month reinstating the restaurant's license.

By then, however, the Bangalore dispute had been overshadowed by the dispute in New Delhi.

By opening the chain's outlet in the capital, KFC executives were effectively challenging the lion in his den, as the Delhi regional government is controlled by the Bharatiya Janata Party, principal standard-bearer in Indian politics for Hindu nationalism.

In the period leading up to an Indian election next spring, the party's national leaders have staked out their opposition to foreign investment in consumer industries. Their mantra has been suitably catchy: "What India needs is computer chips, not potato chips."

But in a Times of India survey, 67 percent of the respondents said that Kentucky Fried Chicken had been "unfairly singled out" when far worse conditions were tolerated in many Indian restaurants.

Perhaps most surprising, considering India's own spicy cuisine, KFC's recipes have come in for enthusiastic reviews.

Khushwant Singh, one of the country's best-known novelists, wrote a piece in The Hindustan Times recalling how he had come across Kentucky Fried Chicken during a university teaching stint in Hawaii 20 years ago and found it as tasty as tandoori chicken — the heavily spiced, spit-roasted chicken brought to India in the Middle Ages by Mogul invaders.

"Why they call it junk food, I had no idea," Mr. Singh said.

For now, KFC executives say they will press ahead with their \$80 million investment program, starting with a court challenge in which the company will seek restoration of its New Delhi license.

Sandeep Kohli, managing director of PepsiCo Restaurants International in India, said the company would argue that standards in the New Delhi restaurant were superior to those in virtually all of New Delhi's 20,000 other restaurants, at least half of which operate without licenses or inspections of any kind.

"Ours is by far the cleanest kitchen in this part of the world," he said.

Other commentators have suggested that this is no year, and New Delhi no place, to be trumpeting the superiority of tandoori restaurants, at least from the standpoint of hygiene.

In July, the city was shaken when a prominent young politician, Sushil Sharma, a former leader of the Congress Party's youth wing in the capital, was arrested and charged with shooting his wife and attempting to burn her body in the tandoori oven of a government-owned restaurant.

For several months after the episode, tandoori restaurants in the city reported a sharp falloff in trade.

Investor's Asia



Source: Telekurs

International Herald Tribune

Very briefly:

• Barito Pacific Timber Group of Indonesia net profit fell 58 percent in the first nine months of the year, to 59.3 billion rupiah (\$26 million) as sales declined 12 percent, to 605 billion rupiah, and the company's profit margin collapsed.

• Japan and the United States are expected to begin three days of talks in Washington on Tuesday to try to work out a new framework for U.S. cargo flights to Asia.

• Softbank Corp. of Japan will launch the first Internet service in China with its U.S. affiliate Unitech Telecun Inc. and Jitong Communications Co., of China.

• Showa Electric Wire & Cable Co. of Japan started a joint venture with Hangzhou Fufeng Co., a Chinese electric wire and cable maker, to produce metal communication cables and electric wires next year.

• Kleinwort Benson International plans to sell its membership in the Tokyo Stock Exchange before it combines its Japanese operations with Dresdner Securities (Asia) Ltd. in the first quarter of 1996.

• Taiwan's index of leading economic indicators fell 1.7 percent in October from a month earlier, to its lowest level since March 1991, according to the Council for Economic Planning and Development.

• South Korea's imports of agricultural products jumped 21 percent, to \$7.8 billion, in the third quarter from a year earlier, partly because of the economy's greater openness under the World Trade Organization, the government said. Exports rose 17 percent to \$2.4 billion.

• South Korea decided to partly open its investment trust market to foreign companies in December 1996.

AFP, Bloomberg, Knight-Ridder, Reuters

Falling Yen Helps Nintendo to a Rise in Profit

Bloomberg Business News

OSAKA — Nintendo Corp. said Monday that a weaker yen had offset falling sales and helped lift it to its first interim profit rise in two years.

The creator of the Super Mario Brothers video-game characters said its current, or pretax, profit for the half-year ended Sept. 30 was 63.87 billion yen (\$632 million), up 25 percent from the like period a year earlier, even though sales fell 19 percent, to

135.191 billion yen.

The profit figure was higher than the 59 billion yen Nintendo forecast in September. Sales were in line with expectations.

"Most of the rise came from a weaker currency," said Hiroshi Imanishi, Nintendo's managing director.

The dollar has risen to just over 100 yen from about 80 yen in the past six months.

About 25.7 billion yen of Nintendo's current profit came when it converted revenue

from overseas sales back into yen at the new rate, giving it better results without actually selling more products.

Nintendo's good fortune in the foreign-exchange market helped offset poor sales as its Virtual Boy game player failed to meet sales targets. Virtual Boy offers three-dimensional games that a user plays while wearing a special headset. But only a few games are available for the machine, which can only display two colors.

Foreign Firms Play Waiting Game in China

Until New Tax Increases Are Detailed, Further Investments Are on Hold

By Kevin Murphy
International Herald Tribune

HONG KONG — Uncertainty about imminent changes in China's business-tax policies has jolted stock markets and prompted some foreign investors to rethink the viability of future projects.

But the confusion over China's tax stance stems from Beijing's method of disseminating information, rather than from disarray among its policymakers, according to tax experts and analysts.

The official Xinhua news agency confirmed Monday that some preferential tax policies for foreign-invested enterprises were to be eliminated after cuts on tariffs next year. The senior official quoted by Xinhua, Deputy Foreign Trade Minister Sun Zhenyu, argued that "drastic" tariff cuts, yet to be detailed, must be balanced by a reduction in the tax holidays originally granted to foreign business to encourage their investment.

But Mr. Sun did not elaborate on the scope or timing of future corporate-tax changes, failing to clarify an issue of growing concern to businesses now weighing new or additional investments in the Chinese economy.

Any change to a system in which foreign-invested enterprises pay a maximum tax rate of 24 percent in open coastal areas

and 15 percent in special economic zones — as opposed to the national rate of 33 percent — is likely to alter some foreign businesses' expansion plans, Western tax specialists said.

But until it is clear when the new regime will take effect and which categories of goods will qualify for tariff reductions, final assessments of many projects will remain on hold.

"Tax policy in China tends to start with weather balloons," said Dean Yoost, deputy chairman of Coopers & Lybrand China, who said some "marginal" projects now planned may lose their appeal. "But right now we are further down the road than that."

In the wake of rumors and partial policy statements from Beijing, stocks in Chinese companies traded in Shanghai, Shenzhen and Hong Kong have been hammered amid concerns that their tax obligations will rise and that their protection from foreign competition will be weakened.

For example, real-estate stocks dragged Shanghai B shares, or those open foreign investors, to a six-month low on Monday amid such concerns, Bloomberg News reported.

Three developers in Pudong, Shanghai's special economic zone that lures investors with special low tax rates, all

saw their shares fall. Shanghai Jingqiao Export Processing Zone dropped 6 percent, to 40 U.S. cents; Shanghai Wai Gaoqiao Free Trade Zone fell 2.5 percent, to 37 cents; and Shanghai Lujiazui Development Co. dropped 1.7 percent, to 59 cents, Bloomberg said.

At the same time, provisional regulations on newly established investment holding companies run by foreigners must still be enacted by Beijing before an estimated 80 firms that have been tentatively approved can be sure of their full rights and obligations.

But despite the way information about economic-policy changes trickles out of Beijing long before the changes are formally announced, analysts said an overall strategy was being put in place to remove taxatio distortions in the economy.

"They are trying to level the playing field between local and foreign business," said Mr. Yoost. "A shortfall in the government coffers is a secondary issue."

The tariff cuts were announced by President Jiang Zemin of China during the Asia-Pacific Economic Cooperation forum in Osaka this month.

The move was widely seen as a concession to international demands that Beijing further open its economy to qualify for membership in the World Trade Organization.

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Traveling To Rome

ALL ROADS NO LONGER lead to the Eternal City set on the seven hills. Milan has far more economic clout, but Rome is still the cultural leader, an architectural treasure largely owned by the Italian state and the Vatican, the city's chief landlord. Some say the city is being ruined by too much traffic, too much pollution, too many tourists — too much of everything; others say that Rome is the world's most beautiful city. There is some truth in each view.

Rome is for the patient — the very patient. But as most foreign residents will tell you, the countless frustrations of daily life are a price worth paying for Rome's unique charm and inexhaustible interest.

Getting Around

Rome traffic is fierce and often gridlocked. There are four rush hours, because most shops and offices close for lunch, and many people go home to eat. Before time for an appointment means that you are up to half an hour late.

One solution for the business visitor who wants to get around fast is to hire a guide who will know short cuts and understand parking rules. The hotel concierge can recommend a guide. Be sure to negotiate a price in advance.

Don't rent a car unless you know the city well. In any case, the heart of Rome is small enough for any point to be reached on foot within 15 minutes.

There are only two subway lines in the city, but they can be useful as they connect the main railroad station with downtown Piazza del Popolo and serve the Vatican neighborhood as well as the satellite city of EUR (Esposizione Universale Roma), seat of several ministries and state companies.

Rome has an extensive bus system that works quite well. One ticket, which must be purchased before boarding, takes you anywhere in the city with one transfer. Tickets can be purchased at most *tabacchi*. There is also a ticket office in Largo Argentina, near Piazza Venezia.

Rome's fleet of taxis is often inadequate, and taxis are scarce at peak hours, during rainy weather and at shift changeover times (7:30 A.M., 2:30 P.M. and 10 P.M.).

Romans do not wait in line for anything, so stand up for your rights if you are first in line at a taxi stand.

At a Glance

The city can be confusing at first because of the north-to-south meandering of the Tiber River. The Vatican and Saint Peter's, as well as the ancient quarter of Trastevere ("across the Tiber"), are on the west bank. Political and business Rome, the commercial and shopping areas, and the major hotels are on the east bank. One twist in the Tiber means that part of historic Rome on the east bank — the area around the Piazza Navona — juts out like a peninsula toward the Vatican.

The best way to fix the city's topography in your mind is to divide the main, eastern part of the city into east and west of the Via del

Corso, the main artery that runs from Piazza del Popolo in the north down to Piazza Venezia. Nearby are the Capitoline Hill, the Colosseum and the ruins of the Forum. This is where Rome began.

Another way to understand the city is to view it from the Janiculum ridge above Trastevere. A great view can also be had from the gardeos of the Villa Medici, behind the Spanish Steps.

Close by is the celebrated Via Veneto. The city, seeking to regain some of the glamour of the 1960s, when movie stars flocked to the street's outdoor cafés, recently designated part of Via Veneto a pedestrian zone.

In a Word

Most Romans speak only Italian, apart from a smattering of English and French. The police are an exception, as are business executives and staff at the top hotels. A pocket phrase book helps immensely when you are on your own in public.

Wining & Dining

People who know Italian dishes only as they are served in other countries

Trastevere: outdoor dining in season. Very expensive. Al Moro, Vico delle Botteghe 13. Tel: 678-3495. A Roman classic, just a stone's throw from the Trevi Fountain. Great food, but often crowded and noisy.

Bacaro, Via degli Spagnoli 27. Tel: 666-4110. Near the Pantheon, Bacaro specializes in fish, much of it cooked nouvelle cuisine. A superior selection of Bolognese, Piazza del Popolo 1-2. Tel: 361-1426. Wonderful view from the terrace of one of the world's handsomest squares. Serves one of Italy's greatest regional cuisines, that of Bologna. Good, thoughtful service.

Elefante Bianco, Via Aurora 19. Tel: 489-03764. A oasis for expense-account meals, with luxurious food and surroundings, but lacks imaginative touches.

Evangelista, Via della Zoccoletta 11. Tel: 667-5810. Traditional Roman cooking with elegant and innovative touches. Try the artichoke appetizer and the desserts.

Il Drappo, Vico del Maitasso 9. Tel: 687-7365. Sardinian cuisine from enthusiasts who treat their island's superb produce with the respect and inventiveness it merits.

La Rosetta, Via della Rosetta 2. Tel: 686-1002. Probably the city's top fish restaurant: the seafood and raw fish starters are famous. Very expensive.

Pianeta Terra, Via Arco del Monte 94. Tel: 519-2491. The temple of Italian nouvelle cuisine. Elegant bar for pre-meal lubrication. Very expensive.

Relais de Jardio, Via Giuseppe de Notaris 5. Tel: 322-0404. Creative cuisine of the highest order. Out of the city center, but well worth the journey.

Sabatino, Piazza Santa Maria, Trastevere. Tel: 581-8307. Another good fish restaurant. Delightful outdoor dining during the summer.

La Tarrazza, Via Ludovisi 49. Tel: 478121. A favorite with politicians and businesspeople. Excellence of the food and service is rivaled by that of the ambience. Very expensive.

Toula, Via della Lupa 29. Tel: 687-3750. Exceptionally fine cuisine, with waiters who read customers' minds. The English-style bar is cozy and intimate.

Calling Around

Country code: 39. City code: 6 (not needed within the city). The quality of the country's telephone service leaves much to be desired.

• Ambulance: 5510.

• Doctor: 482-6741.

• Highway emergencies: 116.

• Hospitals:

Salvator Mundi (English-speaking): 568961.

San Spirito: 68351.

• Police hot line: 212121.

• Airport: 665951.

• Internal flights: 5456.

• Buses (Italian language): 4695.

• Radio taxis: 3570/88177/4994.

• Tourist office: 482-4078.

• Trains: 4775.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NTC Publishing) by Alan Tillier and Roger Beardwood.

In theory, tips are included. In practice, most service staff expect something on top. Leave an extra 5 percent on a restaurant check.

The following restaurants are all suitable for entertaining business associates.

Alberto Ciari, Piazza San Cosimato 40. Tel: 581-6668. Many connoisseurs rate this as the best restaurant in southern Italy. Specialty is fish and the choicest game and meats.

Situated in the old quarter of

The Splendors of Rome From The Luxury Collection

In Rome, the cultural treasure house of Italy, ITT Sheraton has two hotels that live up to the city's high standards of grandeur: the Hotel Excelsior and the Le Grand Hotel. Both are members of The Luxury Collection, a unique assembly of 48 of the most exclusive hotels in the world recently brought together by ITT Sheraton.

The elegant Hotel Excelsior has a prestigious in-town address on the Via Veneto, the home of the city's glamorous cafés. Royalty and other celebrities like Elizabeth Taylor favor this splendid hotel, known for its excellent service and fine restaurant, La Cupola, serving Italian cuisine of the highest standard.

The magnificient Grand Hotel overlooks the Piazza del'Esedra and is a preferred stopping place for Vatican dignitaries and international bankers. It is renowned for the excellent cuisine served in its restaurant and for the impeccable service offered to its guests.

The hotel has 171 rooms, 36

of them suites, and has 13 beautiful reception rooms that can handle up to 700 at a time.

The ideal address for business conferences in Rome is another ITT Sheraton hotel, the Sheraton Rome Hotel and Conference Center, located in the EUR (Esposizione Universale Roma), with 20 meeting rooms that can accommodate up to 2,000 conference-goers.

Hotel Excelsior: Via Vittorio Veneto 125, 00187 Rome. Tel: (39-6) 4708. Fax: (39-6) 482625.

Le Grand Hotel: Via Vittorio Emanuele Orlando 3, 00185 Rome. Tel: (39-6) 4709. Fax: (39-6) 4747307.

Sheraton Roma Hotel and



Conference Center: Viale del Pattinaggio, 00144 Rome. Tel: (39-6) 5453. Fax: (39-6) 0689.

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ITALY

Hotel Villa Cipriani, Asolo

Grand Hotel, Florence

Hotel Excelsior, Florence

Hotel Principe di Savoia, Milan

Hotel Palace, Milan

Hotel Duca di Milano, Milan

Hotel Excelsior, Rome

Le Grand Hotel, Rome

Hotel Danieli, Venice

Hotel Gritti Palace, Venice

Hotel Excelsior, Venice Lido

PORTUGAL

Sheraton Algarve, Albufeira

SPAIN

Palace Hotel, Madrid

Hotel Maria Cristina, San Sebastian

Hotel Alfonso XIII, Sevilla

Hotel Mencey, Tenerife

UNITED KINGDOM

Sheraton Park Tower, London

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HONG KONG	00-001	FRANCE	00-001	LEBANON*	00-001	CAMBODIA*	00-001	COLOMBIA	00-001
INDIA	00-001	GERMANY	00-001	LIBERIA*	00-001	LEBANON (BEIRUT)*	00-001	EGYPT (CAIRO)	00-001
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CYBERSCAPE

The Dumb-Smart Debate**Will Future PCs Link to Servers or Not?**By Peter H. Lewis
New York Times Service

It was the buzz of the Comdex trade show in Las Vegas this month, hailed as the hottest idea since the personal digital assistant or the set-top box.

But can anyone really build a \$500 "network PC," and how many buyers are there for a computer that has been stripped down to the basic components required for connecting to the Internet and other computer networks?

International Business Machines Corp., Oracle Corp., Wyse Technology Inc., Toshiba Corp. and other companies have said recently they would have these so-called diskless network computers on the market next year, although only Oracle and Wyse have talked specifically about charging \$500.

The price instantly caught the imaginations of consumers who now spend from \$1,500 to \$3,000 for a typical personal-computer system. But other computer-industry executives and analysts suggested that the "\$500 PC" is overhyped and poorly understood.

"These people are just nuts," said David Coursey, editor and publisher of PC Letter, an industry newsletter in San Mateo, California. "It sounds like a pipe dream arising from companies seeking to break the virtual monopoly of Microsoft and Intel Corp. over the software and microprocessor businesses."

"It's been a subject of talk among the less informed, and the people trying to thwart Intel and Microsoft are the ones driving it," said Theodore Wait, co-founder of Gateway 2000 Inc., one of the world's largest PC makers.

"Our customers are saying they want more and more, not less and less," Mr. Wait said.

"Our thrust is to give more features, more processing power, more storage and bigger and brighter displays, but at a better price point."

Mr. Wait said the average system price at Gateway actually increased this year, to nearly \$2,800 from \$2,550, suggesting customers are paying more for better performance.

"The idea that the Internet can spawn a new device is fundamentally correct, but it is not \$500, and it is only somewhat platform-independent," said Bob Stearns, vice president for corporate development at Compaq Computer Corp. in Houston. "When you add up the cost of the basic components, I'd be surprised if anyone could make a reasonable profit selling it for less than \$1,000."

But some executives imagine a rich future in low-cost, limited-function computers.

They have been drafting plans to begin selling "networked" computers — computers that have no internal hard disk or other data storage — with enough processing power to tap into information and operate programs that reside on larger computers elsewhere on a network.

"We believe there will be a category of networked computers in many different forms, in portable versions and desktop versions."

said Eric Schmidt, chief scientist at Sun Microsystems Inc. in Mountain View, California. Others say that even if the category never gets off the ground, it could cause a swifter decline in prices for regular personal computers.

The arguments favoring a new generation of low-cost network computers are compelling, at least in theory. They note that a majority of personal computers are now attached to office-computer networks, the Internet or some other on-line information service.

Some critics say these proposed diskless machines are merely modern versions of the "dumb terminals" that were once tethered to mainframe computers, before the personal-computer revolution changed the landscape.

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By Glenn Rifkin
New York Times Service

LITTLETON, Mass.

— In a nondescript office, Dan Contu sat at a high-powered computer workstation painstakingly creating the digital pieces of a site on the Internet's World Wide Web.

His long hair was tied in a ponytail, and he wore a polo shirt, khakis and old running shoes, the proper uniform for a resident techno-jock at Convergent Media Systems, an interactive communications and design company.

Mr. Contu works with Jonathan Reducker, a graphics designer, in one of cyberspace's odd couples, a pair that represents the merging of traditional design and leading-edge programming. They help customers take advantage of the new darling of corporate America: the Internet multimedia information-retrieval system known as the Web.

Mr. Reducker can talk Web with the best of them, but he still sketches his ideas on paper and works with illustrators, editors and writers to fashion content.

It is Mr. Contu who writes the code, creates the hypertext links and manipulates the digital files of graphics and text to turn Mr. Reducker's ideas into interactive offerings. Recently, for instance, the programmer was working on Trade Show Central, a site that will provide information on shows around the world.

"I wasn't old enough to get involved at the beginning of television," said Mr. Black, who has worked for such publications as Newsweek, Pre-

Discovery Network, for example, cost well in excess of \$1 million, and a staff of 10 designers in New York updates the site regularly.

This week a team of scientists is in the Galapagos Islands testing Darwin's theories, this time studying sea creatures instead of land animals. Discovery sent along a writer and photographer exclusively to send back photos and information that are posted daily on the Web site.

Clement Mok, a noted designer and a former creative director at Apple, has a studio called Clement Mok Designs in San Francisco. Mr. Mok, who has created Web sites for QVC Inc., Twentieth Century-Fox Film Corp., Adobe Systems Inc. and HarperCollins Publish-

ers Inc., hired 15 people in the last year and still cannot keep up with demand.

Sony Corp., which has used several design firms, including Mr. Mok's, has spent more than \$1 million for the design of at least six Web sites. The cost, according to the designer, depends on the scope of a site — whether, for example, it needs to be able to handle purchases or offer access to large databases.

Some critics say many companies are still posting boring retrofits of printed material, of-

munication. The Web is two-way, whether you want it to be or not. So you have to find a way to be useful and attractive and give people a reason to stay in your site.

Paul Saffo, a consultant with the Institute for the Future in Menlo Park, California, says the most qualified designers for Web sites may be those who "design amusement rides at Disneyland."

"Magazine designers have been the heroes so far," he said, "but we're pushing fast into areas alien to people who are accustomed to putting images on paper."

To fill the need, small studios are popping up around the country, such as Avalanche Design and the year-old Razorfish in New York, with designers whose backgrounds include both degrees in computer science and childhoods spent playing video games.

Jeffrey Dachis, the co-founder and chief executive of Razorfish, and his partner, Craig Kanarick, offer what they call "dynamic digital design," with navigational tools and the latest hot software.

"We understand the technology," said Mr. Dachis, whose company has designed Web sites for Bankers Trust Co. and Sony's Handicam division. "We eat and breathe it. With technology changing every six weeks, I'm not sure the big companies or the ad agencies can compete at that pace."

"We're pushing fast into areas alien to people accustomed to putting images on paper."

Discovery screens filled with difficult-to-read text.

"It's pretty much amateur hour out there," said David Siegel, a Web site designer based in Palo Alto, California. Jonathan Alsop, senior media producer for Convergent Media Systems, said, "Right now, the Web looks like a collage of bad term papers."

To Mr. Black, the Web is the ultimate challenge, pushing the envelope of design. Designers and programmers have to create not only attractive graphics but multiple layers of on-line navigation.

"It's unlike any other medium," Mr. Contu said. "People start with standard media ideas, but they are all one-way com-

An Internet Empire-Builder**Publisher Stakes Out His Audience Early**By Laurie Flynn
New York Times Service

NEW YORK — Maybe it is his penchant for touting big-name talents such as Kevin Wendle, a co-founder of the Fox television network and one-time producer of "Beverly Hills 90210." Or perhaps it is the way he boldly strikes deals for exclusivity when it just is not done.

Halsey Minor is proof that the once-cozy Internet, with its roots in academia and the military establishment, is now steeped in the oo-holds-barred competitive traditions of American capitalism.

With new electronic magazines popping up daily on the World Wide Web, there is a land-rush feel to the place, and Mr. Minor is intent on staking out his audience early.

The 30-year-old chief executive of CNET, the on-line computer magazine begun in June, offers a telling example of the aggressiveness, energy and seed money that may be required to set down economic roots in the Internet.

What makes CNET different from other on-line computer magazines is that its Web site is the leading edge of Mr. Minor's multimedia assault, a business strategy that he hopes will flank rivals whose roots are in the print-and-ink world.

Yet in the end, no amount of hype will keep the audience if, when people find its Web site (<http://www.cnet.com>), there is

nothing there to hold their attention. So while Mr. Minor is spending big to get people's attention, he is investing even more in a product that will hold their attention long enough to satisfy advertisers such as Intel Corp., Microsoft and Hewlett-Packard Co.

Like its more traditional counterparts in print, CNET includes reviews of computer products, such as the newest handheld computer; comparisons of the latest Web-browsing software, and columnists, such as John Dvorak, a long-time industry gadfly.

But like all Web-based publications, CNET offers something print publications cannot: The site can be continually updated.

Mr. Minor argues that this and other advantages will persuade many high-technology companies to divert portions of their advertising budgets away from print publications to the Internet.

"We see an enormous opportunity to move revenue out of magazines and into on-line," he said, "particularly in this category: computers."

Other on-line specialists also say that the electronic media are beginning to encroach on the print industry's territory.

"Halsey is shrewdly going after the traditional media while they're grappling with this," said Adam Schoenfeld of Jupiter Communications, a market research company. Traditional media are reluctant to move to digital media, he said, "because it diverts resources from their core business."

But the publishers of America's large computer magazines counter any notion that they are somehow cannibalizing their own advertising revenues, insisting that their electronic publishing ventures are not hurting ad sales but helping them, at least so far.

CMP Corp. maintains a popular Web site called Techweb, and Ziff-Davis Publishing Co. has ZDNet, both of which depend on ad revenue. A third publisher, IDG Corp., has a number of smaller sites associated with individual titles, such as its PC World magazine.

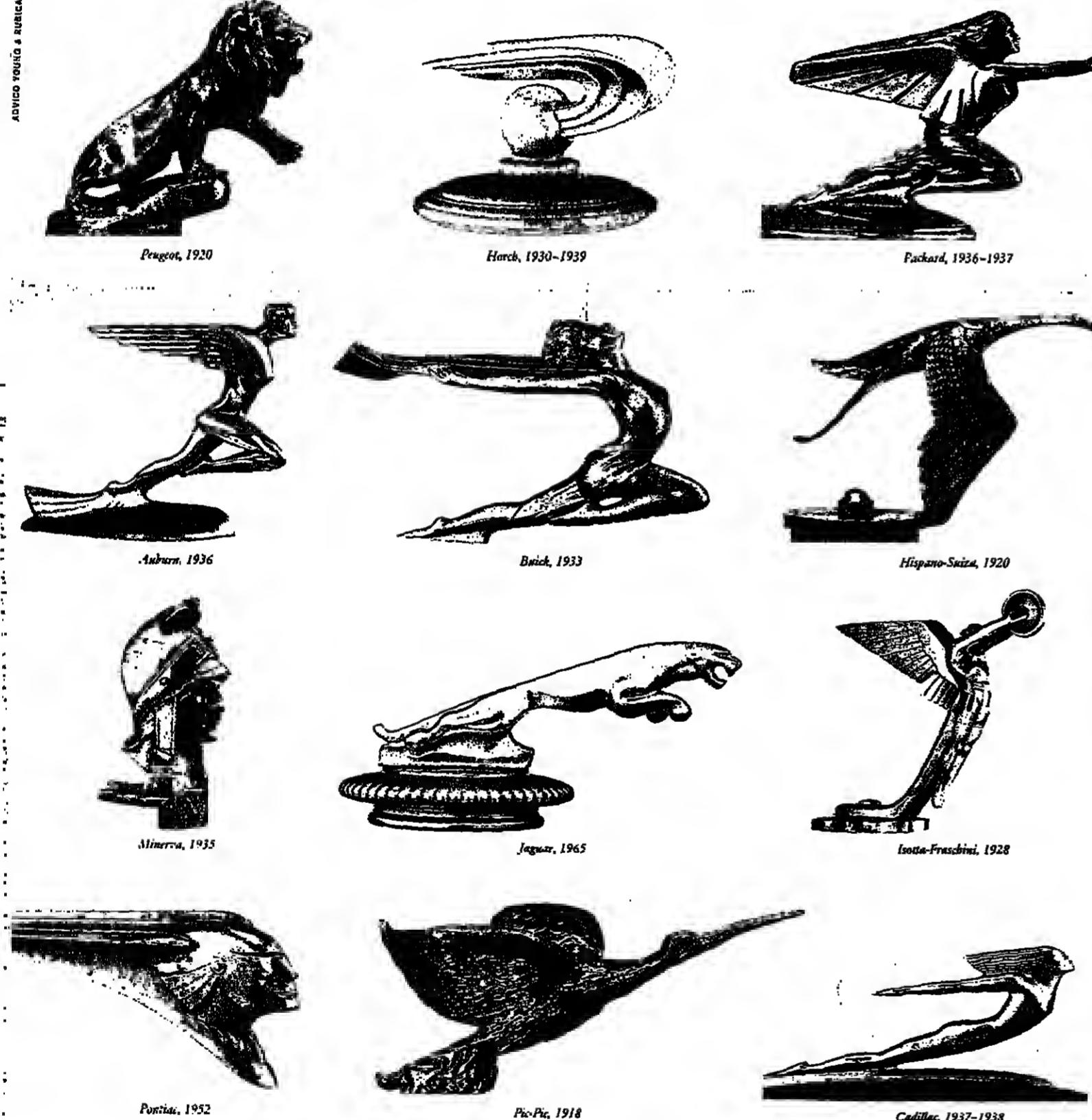
Techweb "has actually helped our print sales," said Mitchell York, managing director for interactive media at CMP, which publishes Computer Reader News, Netguide and Information Weeks, among others. "Companies want to know we have an on-line service. They're looking for that medium."

While the traditional publishers contend that publishing in two media helps them to sell ads, CNET has its own approach to multiple media programming, with "CNET Central," the television show.

"On-line is very much like TV," Mr. Minor said. "It includes all the same things — the talent issues and production elements are all the same, and they're both ratings-based."

CNET executives say they hope the show will whet people's appetite for more in-depth information and that they will then turn to the on-line service.

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Internet's Needs Wed the Old and the New**Traditional Designers Help Programmers to Craft Web Sites**

With the corporate rush onto the Web, the demand for site designers is outstripping supply. The Web has emerged as the Internet's center of commerce, a digital domain where anyone can create a site, or home page, and share or sell information, products or just ideas.

Not to mention lucrative. Big corporations are starting to spend several hundred thousand dollars to design Web sites, and in cases where several divisions of a company have different sites the price for Web design can soar past \$1 million.

Most companies have turned to internal design departments to build sites. But now, with the Web gaining in commercial importance, top-name magazine designers such as Roger Black are going digital, reshaping careers to focus on what they perceive as inevitable change.

Mr. Black, the design director at Esquire, will be leaving the magazine at the end of the year to devote most of his time to cyberspace. He has started a company called the Interactive Bureau, a studio of designers focused solely on on-line interactive media.

The company has created Web sites for the Discovery Network, USA Today, Columbia University, Apple Computer Inc. and the Metropolitan Opera.

Mr. Black is also joining William Hearst of the Hearst publishing family to start a venture called (AT)Home, a network that will bring the Internet to the home personal computer via cable.

"I wasn't old enough to get involved at the beginning of television," said Mr. Black, who has worked for such publications as Newsweek, Pre-

Discovery Network, for example, cost well in excess of \$1 million, and a staff of 10 designers in New York updates the site regularly.

This week a team of scientists is in the Galapagos Islands testing Darwin's theories, this time studying sea creatures instead of land animals. Discovery sent along a writer and photographer exclusively to send back photos and information that are posted daily on the Web site.

Clement Mok, a noted designer and a former creative director at Apple, has a studio called Clement Mok Designs in San Francisco. Mr. Mok, who has created Web sites for QVC Inc., Twentieth Century-Fox Film Corp., Adobe Systems Inc. and HarperCollins Publish-

ers Inc., hired 15 people in the last year and still cannot keep up with demand.

Sony Corp., which has used several design firms, including Mr. Mok's, has spent more than \$1 million for the design of at least six Web sites. The cost, according to the designer, depends on the scope of a site — whether, for example, it needs to be able to handle purchases or offer access to large databases.

Some critics say many companies are still posting boring retrofits of printed material, of-

fering screens filled with difficult-to-read text.

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On December 16th, the IHT will publish a Sponsored Section on

KAZAKSTAN

Among the topics to be covered are:

- A detailed look at the overall business climate.
- The well-developed, but under-capitalized, industrial base.
- Oil and gas — the priority development sector.
- Building an effective telecommunications network.
- A guide to doing business in Kazakhstan.

For further information, please contact Bill Maher in Paris at (33-1) 41 43 93 78 or fax (33-1) 41 43 92 13.

Herald Tribune

INTERNATIONAL
THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP



Diego Maradona shouting at the referee during the "super derby."

Maradona Thwarted

SOCCER Diego Maradona, playing, he said, in spite of an injury because of pleas from Boca Juniors fans, could not lift a dreary Buenos Aires "super derby." Boca, the Argentine league leader, tied 0-0 with its traditional rival, River Plate, at the World Cup Stadium. One local newspaper said the match represented: "Almost two million dollars in sales, while hardly a few pesos of soccer play." (Reuters)

Graf Sets His Terms

TENNIS Lawyers defending Peter Graf, the father of Steffi Graf, have told the Mannheim prosecutor Peter Wechsung, that their client planned to break his silence and make a statement Tuesday to the prosecutors' office.

"But he is not prepared to be examined or to answer critical questions," said Wechsung.

Graf has been in jail since August on suspicion of evading taxes on Steffi Graf's earnings. He has refused to answer questions. (Reuters)

Stadium Officials Charged

CRICKET The police on Monday charged the organizers of the game between India and New Zealand, in Nagpur with causing the death of nine spectators who died after a stadium wall collapsed during the game. The police were also looking for the builders of the stadium's eastern wing.

Cricket officials said the ground may be taken off the list of next year's World Cup and that the World Cup Committee would be compelled to scrutinize all the venues for the competition next February and March.

(Agence France-Presse, Reuters)

Lara Drops Out

CRICKET Brian Lara has withdrawn from West Indies' visit to Australia in December. Lara — along with Carl Hooper, Curtly Ambrose and Kenneth Benjamin — was disciplined last week for misconduct on the tour of England last summer. (Reuters)

Orioles Considering Gillick

BASEBALL The Baltimore Orioles have picked on Pat Gillick, the former general manager of the Toronto Blue Jays, as the team's GM, a Baltimore television station reported. (AP)

Tikkanen Suspended

HOCKEY Esa Tikkanen, acquired by Vancouver in a trade, has been suspended by the Canucks for not reporting to a game in San Jose, California. (AP)

Young Comes Back, Big Winner for 49ers

The Associated Press

Steve Young made a triumphant return to the San Francisco 49ers, passing for 226 yards and three touchdowns in a 41-13 rout of the St. Louis Rams. Young missed the last five games with a shoulder injury.

In San Francisco, Young was intercepted on his first pass, but was 21 of 32 overall as the 49ers scored 35 unanswered points.

NFL ROUNDUP

including a 26-yard interception return by cornerback Eric Davis. Young had TD passes of 16 and 15 yards to J. J. Stokes and a 2-yard score to Jerry Rice. St. Louis (6-6) played the second half without Chris Miller, who had a scratched eye.

Cardinals 40, Falcons 37 Arizona playing at home in Tempe, won in overtime, scoring a 28-yard field goal from Greg Davis 1:43 into the extra period.

Dave Krieg passed for 413 yards and four TDs as Arizona snapped a three-game losing streak. Atlanta fell out of a first-place tie with the 49ers in the NFC West. Jeff George threw three TD passes for the Falcons.

Panthers 24, Panthers 26 Mario Bates ran for two touchdowns and Derek Brown had one as New Orleans, playing at home, found its ground game.

The Saints ran for 180 yards against Carolina, who had limited five of the last six opponents to less than 100 yards rushing.

It was the first time this season New Orleans has scored three rushing touchdowns.

Offers 42, Broncos 23 In Houston, Chris Chandler outdueled John Elway with three TD passes as only 36.113 showed up to see a team bound for Nashville, Tennessee, next season.

Elway was 27 of 41 for 332 yards and two TDs — 50 and 35 yards to Anthony Miller. Chandler was 18 of 26 passes for 280 yards as the teams combined for 920 total yards.

For Houston, Rodney Thomas had a 74-yard touchdown run, and Chandler had scoring passes of 36 and 35 yards to Chris Sanders. Terrell Davis had a 60-yard touchdown run for the Broncos.

Jets 16, Seahawks 10 In Seattle, Adrian

Murrell carried 24 times for a career-best 116 yards and a two-yard score as the Jets won their first road game in more than a year.

New York held the Seahawks' star receiver, Joey Galloway, to three catches for 24 yards and Chris Warren, the AFC's leading rusher, to 63 yards on 16 carries, as Seattle's three-game winning streak ended. Warren went over 1,000 yards for the season.

Steelers 20, Browns 17 In Cleveland, Norm Johnson's 37-yard field goal at the start of the fourth quarter lifted Pittsburgh to its fifth consecutive victory.

Neil O'Donnell, 21 of 30 for 251 yards and a touchdown, led the Steelers on a 16-play drive that consumed the last 8:52. Cleveland has lost four straight since its move to Baltimore was revealed.

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ART BUCHWALD

To Pay, Press Zero

WASHINGTON — AT&T is in the process of laying off 77,000 white-collar employees. It's hard to believe that a company can lay off that many people and still be in business. If the forced retirements take place, this scene could be played out at the company's headquarters in New Jersey.

Buchwald

"Sir, it appears that we're having a financial problem."

"Like what?"

"Well, 7,800 customers are not paying their bills."

"Why?"

"They were let go by us and claim that they have no money."

□

"Why are you bothering me with this? You should be turning over the deadbeats to our billing department."

"There is no billing department. We bought out everyone as part of spreading Christmas good cheer."

"Well then, turn the problem

Malaga to Get Picasso's

Reuters

SEVILLE — The southern Spanish city of Malaga, birthplace of Pablo Picasso, will soon be home to a collection of his work currently owned by the artist's daughter-in-law, regional officials said. Christine Ruiz-Picasso, widow of the painter's son Paolo, is negotiating terms of the acquisition with the regional government of Andalusia. The size of the donation has not been determined, but Ruiz-Picasso owns at least 200 Picasso paintings.

over to our legal department."

"There is no legal department. We pushed them into early retirement and told them to empty their desks in 48 hours."

"Higginbottom, we can't have customers who won't pay their bills. How about writing each one of them a friendly but firm letter informing them that if they don't pay up we're going to give their names to '60 Minutes'?"

"We can't write any letters because there is no mail room."

"Dammit, then send it by e-mail."

"That's impossible. Our computers are on the fritz, and the repairmen were the first ones that we tossed into the Hudson River."

□

"I believe that we'll have to turn over the problem to the FBI. People who don't pay their phone bills are criminals. Shall we call a meeting?"

"With whom?"

"The personnel people who canned all these employees who now can't meet their financial obligations."

"They've been gone for months. I suggest that we start hiring people back again. If they have jobs they will be able to pay their bills and we'll be come healthy once more."

"We can't do that because Wall Street will get mad. They're only bullish on us because we laid off so many human beings in one fell swoop."

"So what can we do?"

"Maybe we could sell the company to the French and let them worry about it."

"Good idea. I'll call Paris now."

"I don't think that's possible, sir. As a way to save money we cut the cable connecting the United States to Europe and sold the scrap to the Japanese."

the move the blues have made from juke joint to Hollywood. Beginning perhaps in 1990, when the complete works of Robert Johnson were issued on CD, selling half a million copies and winning a Grammy Award a half century after the blues master died, the blues have been staging the latest of many revivals.

Sales of blues records are up, the number of blues labels has increased,

the number of blues clubs in the United States has grown by half during this decade, according to the Blues Foundation, a preservationist organization.

There are now more than a hundred summer blues festivals. PBS is planning a three-part documentary on the music for next year, and its already published companion volume, "The History of the Blues," by Francis Davis, joins a spate of recent books on the subject. The blues are showing up too in advertising. B.B. King has done spots for McDonald's, and the blues have become music for beer commercials.

In many ways the current revival echoes the revivals of the '60s, when folksies embraced the idealism of the civil rights movement, and of the '70s when scholars and promoters toured Southern prisons and plantations.

Part night club, part restaurant, part gift shop, the House of Blues is a strange warping of cultures: academic, commercial, entertainment and multimedia. It is hard to imagine any other enterprise whose investors include the Harvard Endowment Fund

tions in search of blues songs and field hollers.

But this revival is different, in that it raises questions of authenticity and commercialization that go beyond the blues — questions that arise where the dirt road of pre-commercial folk art meets the neon-lined strip of modern American media.

Two different visions compete for the soul of the blues. One defines them as a folk art, a collective expression of black American culture and a record of oppression. The other sees the blues as a modernist art of individual genius melding tradition and innovation with technology and commerce, one whose influence pervades all of pop music today.

Nowhere is the conflict more sharply drawn than in the House of Blues. To some, it is the last best chance to keep the form vital; to others, it reduces one of the most profound forms of American music to a Disney cartoon.

Before it became a House of Blues, the cotton gin house from Clarksdale stood close to the crossroads of Highways 61 and 49, in the heart of the Mississippi Delta, in the northwest part of the state. Crossroads figure prominently in songs as places where blues musicians trade their souls to the Devil for the ability to make music.

Today the question is whether the blues have gained popularity by trading their soul to the Devil. Bearded and often dressed in black, Tigrett could even be mistaken for the Devil. But in his own telling he is an angel. Saving the blues, in his words, "for the millennium."

Tigrett opened his first House of Blues in 1992 near Harvard Square in Cambridge, Massachusetts; others followed in West Hollywood and New Orleans. Now there are plans for clubs to open next year in New York and Chicago and at Disney World in Florida.

Part night club, part restaurant, part gift shop, the House of Blues is a strange warping of cultures: academic, commercial, entertainment and multimedia. It is hard to imagine any other enterprise whose investors include the Harvard Endowment Fund



Craig Mathew/House of Blues

Out of the blues: Dwight Yoakam at the Los Angeles House of Blues.

(to the tune of \$10 million), Disney, Sir James Goldsmith, Isaac Hayes, Jim Belushi and members of the Aerosmith band.

On its menus and signs, the House of Blues has taken as its trademarked motto the line "We're on a mission from God" from the 1980 film "The Blues Brothers."

The clubs offer Blues Burgers and Elwood sandwiches, named after a character in the film, and each sells guitars, T-shirts, folk art, books and CDs. On Sundays, they serve a "gospel brunch."

Tigrett designs the clubs' interiors. He got the idea for the decor of the original club from a book of photographs called "Juke Joint Interiors," by the Mississippi photographer Birney Imes.

Today, the House of Blues is a multimedia conglomerate. Its holdings include a weekly syndicated radio show with Aylroyd as host, a television show, a record label, a line of clothing and accessories, and a site on the World Wide Web.

"I've seen the House of Blues television show, but they never seem to

have any blues on," says Davis, who is also a music critic and historian. "It's always Public Enemy." Other blues buffs complain how few traditional blues singers actually appear on stage at the clubs.

And in traditionalism at the '60s revival, who saw the blues chiefly as a form of protest music, the idea of a blues chain is disquieting. "It almost becomes a kind of grim joke," says Davis. "As if after seeing the Holocaust Museum someone created a Holocaust cafe."

Others question why a largely white enterprise would latch on to the blues as its theme. Mayor Ken Reeves of Cambridge early on called the club there "a major commercialization and rip-off of the African-American culture."

Tigrett defends his efforts. "We work hard every day for the right to represent this art," he says. "I feel we are respectfully honoring the music." His goal, he adds, is "to transfer the integrity of the emotion." Indeed, the House of Blues is not a blues club so much as a club whose theme, in Tigrett's words, "is a tribute to the blues."

"What is the home of the blues?" he asks rhetorically. "Paris. Seventy per cent of blues records are sold in Europe." And it was white college students, he notes, who supported the blues in the '60s, after the music had become an embarrassment to many urbanized blacks. It was then that white producers like Leonard and Phil Chess, founders of the label that bears their name, kept the blues in print.

White rockers, from Eric Clapton to the Allman Brothers, continued to perform the music when the folk-blues revivalists were excluded from their festivals white artists or those who played electric guitar as well as rhythm-and-blues-influenced musicians. "The irony," says Davis, "was that it left out those artists who still had black audiences."

Phil Potton, the author of "Made in U.S.A. — The Secret Histories of the Things That Made America," wrote this for The New York Times.

POSTCARD

Barbie Show: Bimbo, Cultural Icon, Plain Old Doll

By Paula Span
Washington Post Service

NEW YORK — We stop before a large John Baldessari print called "Kiss Kiss," a photograph of an idealized female face that's been rubber-stamped with bright red lips. We commune with the artwork. We ponder its sociocultural implications.

Valerie Steele — contributing curator and author of "Fetish: Fashion, Sex and Power" — stares for a moment at the print: the coy, heavily made-up face; the smooth, bared shoulders; the decolletage. "You can see clearly her fakeness," she observes. "It reminds me of avant-garde fashion photography in the '70s, which mixed real models with plastic mannequins."

And how to interpret the fact that the stylized lips are placed on the photograph

of the face, rather than on the face itself? Is that a comment on the model's objectification? "I think you can say that, definitely," Steele concurs. And then adds, "Barbie is an icon because she triggers this worshipful attitude and a desire to smash what she represents."

Barbie, yes. Mattel's 1 1/4-inch-tall plastic sexpot. Hers is the face in Baldessari's 1994 print, and in the Warhol silk-screen ready to be hung nearby, and in Kenny Scharf's oval-shaped acrylic.

"Art, Design and Barbie: The Evolution of a Cultural Icon," being mounted in the Liberty Street Gallery at the World Financial Center, is serious, sort of. The show offers historical context, in vitrines displaying antique dolls including the notorious Lilli, the lewd German doll for meo that inspired the creation of Barbie.

And Steele has planned dioramas that show how Barbie's evolution parallels 36 years of contemporary history, with photos of anti-war demonstrations and Beatles concerts hung above an array of Younique fashions modeled by Barbie and her pals and her major accessory, Ken.

But the exhibit (underwritten — surprise! — by Mattel Inc.) particularly highlights the Barbie-related works of nearly 80 American and European artists, architects and designers.

"She inspired a lot of artists because she's such a powerful iconic figure," says Steele, who teaches the Fashion Institute of Technology and at Cornell. "She can conjure up images of a perfect childhood, a safe nostalgic world. But others see her as a cruel dominatrix, a wimp and a victim, a bimbo. The responses are really visceral."

A Thai aristocrat has asked a British court to stop the auction in London next week of more than 400 letters written by members of Thailand's royal family. The letters, to be auctioned by Christie's, were written between 1866 and 1917 by King Chulalongkorn, known as Rama V, and two sons, Prince Chakrabongse and the future King Vajiravudh. The court action was launched by Narisara Chakrabongse, the only granddaughter of Prince Chakrabongse, who said the letters used to belong to her family but vanished after her father's death. If the letters are retrieved, Narisara said, she will give copies to the government's Fine Arts Department and order that the originals be turned over to the state after her death.

Camilla Parker Bowles encouraged Prince Charles to marry Lady Diana Spencer because she believed her rival was "gormless," according to Parker Bowles's former brother-in-law, Richard Parker Bowles, brother of Camilla's ex-husband, Andrew, was quoted as saying that his sister-in-law saw Diana as easy to manipulate and no threat to her place in Charles's heart.

In September, Pocket Books, a division of Simon & Schuster, paid \$1 million for "Home Cooking with Dave's Mom," by Dorothy with Jess Cagle. The book is due in December, and, meanwhile, Dorothy, who is the mother of David Letterman and prefers to use only her first name, is cooking. So, what could be in a million-dollar cookbook? "A couple of hundred

recipes and a lot of family anecdotes," said Cagle.

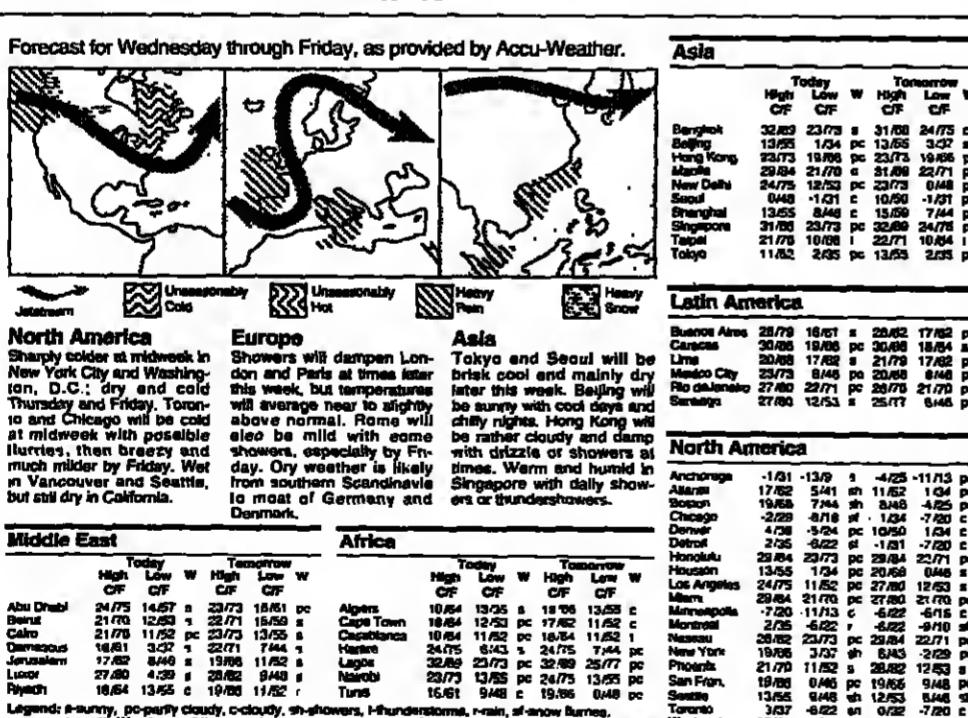
Tucked away in a display case at a recent Goodwill used book sale in Washington was the sort of imploring letter from one young congressman to another that quickens the hearts of collectors: "We lurch from crisis to crisis, limiting our vision of tomorrow to very small dreams, or worse yet, no dreams at all. . . . The time for timid steps is over. We must move now to capitalize on these opportunities in space simply because we need the resulting benefits so badly here on Earth." A Virginia autograph dealer, Edward Bonney, eagerly paid \$75 (reduced from \$150) for the "Dear Al" Sincerely, Newt" missive written Dec. 9, 1981, by Newt Gingrich to Al Gore.

About 175 elder bop biggies gathered outside the former home of saxophonist John Coltrane to honor Philadelphia's jazz heritage. The Philly greats included George (Butch) Ballard, who played with Count Basie and Duke Ellington; Jimmy Oliver, another tenor sax talent; Johnny Coles, who played with Ellington, and Bill Jolly, Grover Washington Jr.'s musical director. "It's beautiful, man, beautiful," jazz pianist Kenny Gates, 48, said as he looked on at the gathering of his musical forebears. "It's important bringing all these cats together while they're still with us."

The Great Kat, once Katherine Thomas of England, once a Juilliard-trained classical violinist, now self-proclaimed world's fastest guitar player, has unleashed another recording that's fast and loud: "Digital Beethoven on Cyberspeed." The Great Kat calls the new offering the first classical-metal interactive CD-ROM.

Cybill Shepherd was the grand marshal, leading a parade of celebrity bikers through Beverly Hills, for the second Happy Harley Day charity benefit. As the parade passed by, toys were collected for needy children.

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